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FROM THE EDITOR

Embarking on this fifth volume of AR, we are proud first of all to announce to our readers that the number of pages has been increased from 48 to 52. This growth in size may be regarded as indicative of the healthy state the magazine is in. The readership both in the Antilles and abroad has increased considerably during the past year. In spite of the declining economy advertizing has remained at an acceptable level. This development constitutes no small encouragement to our editorial staff, in particular as reporting on the present situation in the Antilles in general not heartening.

The policy of the magazine has all through its existence been to report as objectively as possible on the different aspects of the nation's life. Being the only magazine of its kind in the English language, it also faces the challenge of presenting the country to foreign eyes. In good times this dual objective does not present a problem. But as things go awry, the danger arises either to paint

too rosy a picture or by writing critically to inflict damage on the nation's reputation. We like to use this opportunity to state as our conviction that fair reporting even on negative developments in the end renders a better service to the nation than suppressing the facts. We also wish at this moment to repeat our often mentioned faith in the people of our islands to overcome the present crisis.

The success of every paper depends to a large extent on the quality of its editorial content. In this respect we are much indebted to Mr. J.M.Reijntjes, who for the period of two years was in charge of the Law section. Mr.Reijntjes is about to leave the Netherlands Antilles and our readers will find his last contribution in this issue. We wish to express our great appreciation for his contribution to AR. As from the next issue Mr. Rudsel Martha, who teaches international law at the University of the Antilles, will take over from Mr.Reijntjes. We warmly welcome him to AR's editorial team.

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A GLIMMER OF HOPE

If there is a reason to take a little heart, it is not that the threat of the impending crisis has diminished. It has not. Aruba's Lago did close down as announced on the 31st of March. Whether Shell will continue its operation in Curaçao is still very uncertain. Income from the offshore sector has begun its downward slide. The unemployment figure both in Aruba and Curaçao continues to rise. An increasing number of firms are presently entering the financial danger zone. In brief the general picture still looks as bleak as three months ago and does certainly not warrant even the slightest optimism.

But that being said there is more to be told. During the first quarter of the year the growing awareness of the looming crisis led to what might be called the beginning of a concerned citizens' movement. A score of unofficial and often impromptu meetings was held discussing the situation, with participants of all the different sectors. This development in itself must be called positive and promising, as it revealed a high degree of willingness to join ranks in facing the deteriorating economic situation.

The first to seize the momentum and translate it into action were a number of trade-union leaders. Having consulted a wide range of people Mr. Errol Cova and Mr. Roque Koeysers of the Chamber of Unions travelled to the Hague and Caracas in an attempt to save Shell for Curaçao. Their effort resulted in bringing about a process of high level negotiations between the governments of Holland, Venezuela, the Netherlands Antilles and the management of Shell. Although little has leaked from these talks, most observers are now hopeful that the refinery will continue operating, be it on a smaller scale. But, it should be noted, there is little to no evidence to back up this expectation!

On the homefront union-leader Waldie Ong A Kwie kept pressuring the government to launch a much needed austerity programme. At the same time he and his colleagues stepped up their efforts of conscientizing their union-members and creating circumstances favourable to the establishment of small industries.

The apparent willingness among the different social partners to co-operate was also recognized by a number of politicians as an opportunity to arrive at a consensus with regard to managing the crisis. A so-called '*kumbre*' was held in which almost the entire leadership of Curaçao took part. The outlines for an emergency programme were drawn up. This in turn resulted in a growing awareness among the public of the seriousness of the situation. Consequently when the Government announced a first series of measures little protest was heard. For as much as there was disagreement with the Government it concerned the perceived limited nature of the measures, which were almost entirely direc-

ted at economizing the government's own operation.

It should, however, be observed that all analyses of the situation did point out that the number one problem of the country was its oversized and therefore much too expensive civil service. The cabinet of Mrs. Liberia Peters therefore should be praised rather than criticized for its attempt to put order to its own house. On the other hand there is no denying the fact that much more austere measures, than those announced, will have to be taken. One cannot escape the impression that all the government has tried to accomplish thus far is balancing its budget without diminishing the size of its operation. Fighting the symptoms is not the same as getting at the roots of the problem! Some of the other measures now under consideration may not be very effective either. Enforcing a general wage-cut will because of the control problem increase rather than decrease government involvement.

The constitutional issue, moreover, does not exactly contribute to taking determined action. Much time has again been taken up by working out the future relationship between Aruba and the remaining five islands. Some headway has been made recently, but much has still to be settled before January 1, 1986, when Aruba's status aparte will be enacted. It is now generally realized that dividing up the country will certainly not be to the advantage of Curaçao.

What to all appearances is still not being realized is that an Antilles of the Five is not the same as an Antilles minus Aruba. Sint Maarten that is experiencing a rapid economic boom is certainly not going to be willing to be saddled with Curaçao's problems. The relationship between the five remaining islands will, no doubt, need to be restructured. Consequently much attention and time will have to be devoted to constitutional matters even after those concerning Aruba have been solved.

As could have been expected now that the economy is beginning to decline, interest abroad in the Antilles is increasing. The publication of a report on the Antilles (focussing mainly on Curaçao) by the Center for Strategic and International Studies in Washington early May - see Special feature - is a hopeful sign that much needed assistance in battling the crisis may come forward. Pressure on The Hague to review its policy of driving the Antilles including Aruba to independence in the foreseeable future might help to create a more favourable investment climate. The heightened international attention may also force the Dutch to face up to their responsibility with regard to assisting the Antilles in rebuilding and diversifying its economy. Thus while there is no reason for optimism, the new mood in the country and the growing interest abroad to come to the Antilles' rescue, do constitute at least a glimmer of hope. ■



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OF ALL WORRIES 1996 RANKS NUMBER ONE

by H. Timmer

The mood on Aruba today is depressed. Everyone by now realizes that the oil-refining days are definitely over. Unemployment is on the rise, shops are economizing their operations and in some cases closing their doors for good. Many Arubans are considering leaving their island. But contrary to what outsiders may think, it is not the economic decline that is causing the prevailing gloom in the first place. In general people are fairly optimistic about Aruba's chances for survival in the long term. Fully aware that the next few years will not be easy and bring hardship to many, the Arubans are confident that the expected growth of tourism will alleviate their plight within a reasonable number of years. If the projected enlargement of hotel facilities will indeed be realized, the island might see a return of better times as soon as five years hence. Its excellent reputation as a holiday resort in the USA and the recent interest shown by investors in tourism appear to warrant this expectation. But what is increasingly worrying a growing number of Arubans are the developments with regard to the constitutional issue. In particular The Hague's interpretation of the 1983 RTC agreements and to a slightly lesser degree the autocratic attitude of the island's majority party are inducing many to start packing their cases.

Ultimatum

As January 1, 1986, the date on which status aparte will take effect, draws closer, it becomes increasingly evident that the Dutch and the Antilleans differ widely in their interpretation of the last RTC agreements. What was believed to be a compromise now appears to be no less than a Dutch ultimatum. That at least is



Antillean delegation leaving for 1983-RTC

the impression one gets from recent publications and statements issued by Dutch politicians. Utterances by spokesmen of Holland's liberal party, the VVD, in particular have caused bewilderment. In the past the VVD of all the Dutch political parties seemed to be the most sympathetic with regard to the Antilles' wish to continue its membership of the Kingdom of the Netherlands for many years to come. The proposed text for the revision of the Charter of the Kingdom, made necessary by the impending status aparte, has caused great anxiety on Aruba. The draft states without ado that Aruba will leave the Kingdom in 1996. When the draft was discussed by the parliamentary committee for Dutch-Antillean affairs, only the very small minority parties objected to the linkage of Aruba's legitimate desire for greater autonomy and full independence. The larger parties, however, appeared adamant on this issue.

Support

On Curaçao in the meantime support

for Aruba's point of view is increasing. Declared Mr. Frank Rozendal, Minister of Constitutional Affairs, at a recent press conference: "The Dutch are acting most unreasonably by linking status aparte to independence for Aruba. Aruba should be granted the right to consider a suitable date for independence without being pressured by the Dutch. I take this stance on behalf of Aruba because the day will come that Holland will likewise try to pressure us into independence". Mr. Rozendal is of the opinion that denying Aruba status aparte when no agreement can be reached on the 1996 date, would be unjust.

Opinions

The difference in interpretation of the RTC agreements is caused by diverging views on the part of the Antilles and the Netherlands with regard to the underlying issue of independence of all the six islands. Holland favours such a development for the entire Antilles in the near fu-

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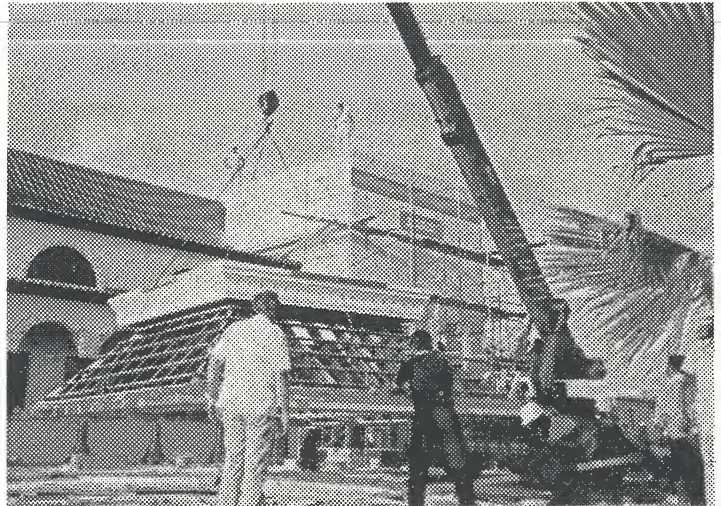


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ture. In principle the islands agree that independence will have to come one day but decline to fill in a date. At the RTC in 1983 Aruba had to compromise in order to get its coveted status aparte. But what they regarded as a renegotiable compromise was seen by the Dutch as a leverage to force the entire Antilles into independence. For that reason the Dutch are absolutely adamant with regards to the agreed upon date for Aruba. The Arubans, on the other hand, point out that punishing them with independence alone is most unfair. If the other islands are to remain within the Kingdom after 1996, they see no reason why Aruba would have to leave. They point out that article 2 of the RTC protocol allows them the right of postponing the date. An interpretation the Dutch do not agree to.

Economy

Apart from this difference in interpretation of the protocol it is also pointed out in the Antilles that the entire situation has changed drastically since the RTC in 1983. Economically the islands have become or are becoming most vulnerable.

Independence for Aruba as well as for the other five islands must in this perspective be considered to be completely out of order. Without economic independence no such thing as political independence is possible.

With a view to the recent developments on Aruba and Curaçao there is no hope that within a period of ten years the economies of these islands will recover in such a measure that the ties with Holland can be severed. On the contrary Aruba (and the others) must be granted a much longer period in order to rebuild their economies. Adhering to the 1996 date for Aruba will only result in a further economic decline of the island, as investors will not be willing to risk their money in such an uncertain situation. For these reasons there is a growing consent in the Antilles that the threat of 1996 should be removed.

Migration

It is also observed that the Dutch might do wise to realize that their stubbornness is already causing many Arubans to migrate to Holland. This will saddle the Dutch with yet another minority problem in their

own society. Removing the 1996 date might help to stemm this migration flow, which is neither to the advantage of the Dutch nor of the Arubans.

To a lesser degree the local political climate is also throwing in its weight with regard to the growing feelings of anxiety. The manner in which the majority party MEP is trying to manage the economic crisis has raised doubts in the minds of many as to the democratic future of the island. In sharp contrast with Curaçao the opposition parties and trade-unions have been kept uninformed and have not been invited to join in to stave off disaster. The seriousness of the economic crisis does not warrant, it is felt, such an autocratic and one-sided approach.

Thus while many bank their hopes on a reversal of the RTC 1996 stipulation and plead for constructive cooperation between all parties on the island to rebuild the economy — which does seem quite possible — there is also a strong undercurrent of fear that neither of these two points will indeed be realized. The fact that Aruba's passport-office recently ran out passports should not go unheeded both in Oranjestad and The Hague. ■

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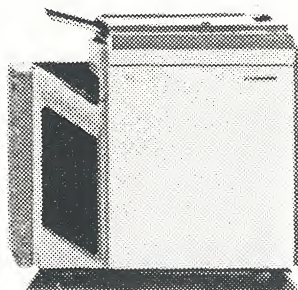
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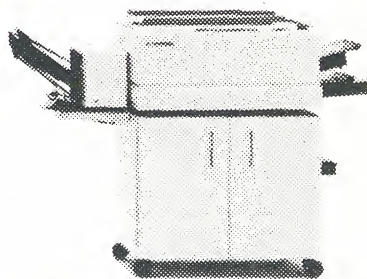
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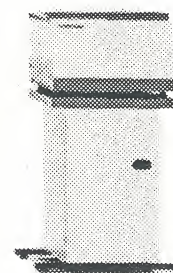
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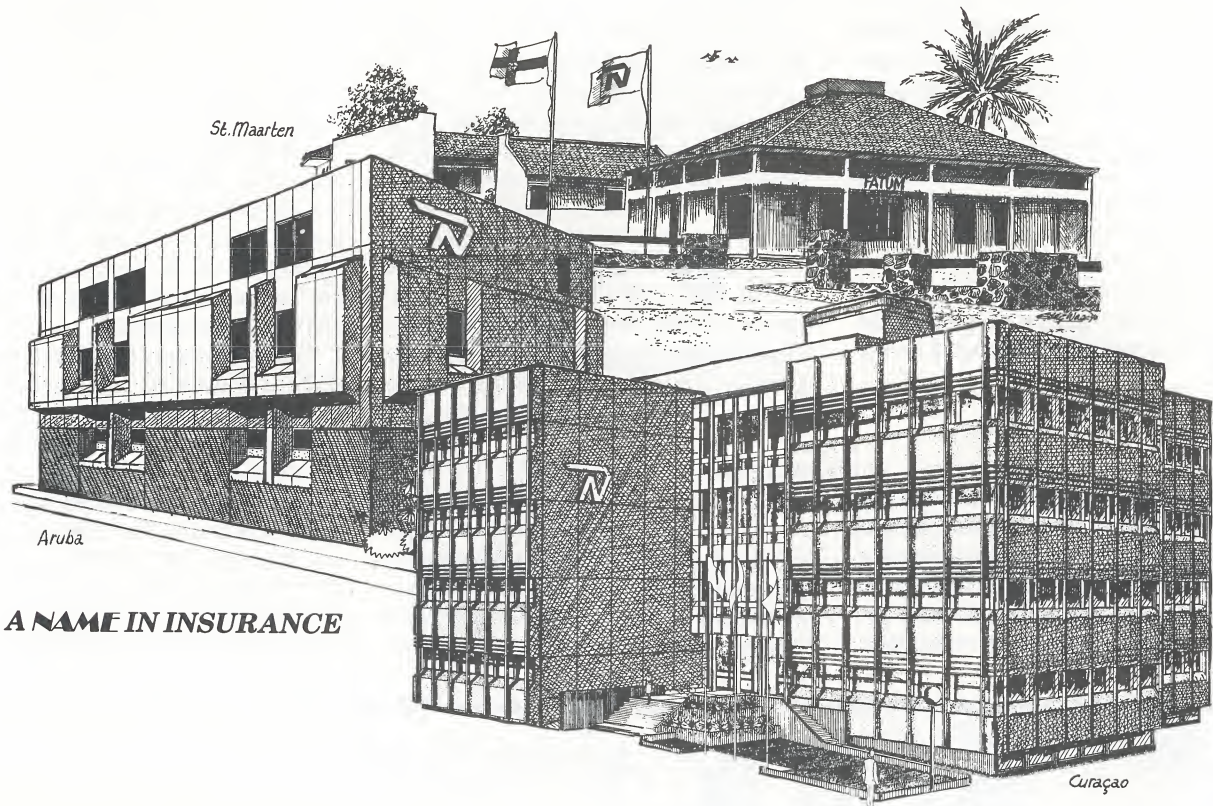


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THE ANTILLES' WOES IN A NUTSHELL

by H. Linkels

Two news items from the past months illustrate Bonaire's predicament. First the good news. During January the number of non-Antillean visitors to the island went up from 1,978 to 3,228 as compared to January, 1984. Then the bad news. By the end of March the island government's finances were so low that civil servants and teachers were only paid 50% of their monthly salary. Only weeks later did they receive the other half. Prospects for regular payment in the coming months appear to be dim. The general decline of the economy makes it increasingly difficult to meet the bill of an inflated and inefficient civil service. The courageous efforts of Bonaire's present government (see AR vol 4 no 6) to put order to its own house are obviously being overtaken by too many economic set-backs occurring at the same time. The increase of tourism, on the other hand, and the approval by the island council of a 5 year economic development plan, which will receive assistance both from Holland and the EEC, should help the Bonaireans keep up their hopes for the long run, even though the immediate future looks very problematic indeed.

Economics

Bonaire, which for many centuries was able to take care of its own needs (see Constitution) has during the past decades become almost entirely dependent on outside assistance. Of the entire work-force (3,000 on a population of 10,000) more than 35% is employed by the government. Approximately 30% is active in the tourism sector. But this percentage is somewhat inflated, as the largest hotel on the island is owned by the government and kept afloat by a yearly subsidy of over Naf. 2 million! Another 10% is employed in the construction sector, but here it should be realized that quite a few projects are financed by development aid. The only productive income is generated by agriculture (4%) and industry (5%). Unemployment is presently estimated at 13%. In the industrial sector one of the major employers, Bonaire Petroleum Corporation, is facing difficult times and recently had to lay off 20% of its employees. The reduction in visiting tankers

is not only causing the company problems but also the port services' income has diminished substantially. This brief summary should suffice to indicate that Bonaire's economy is in a very unhealthy state indeed.

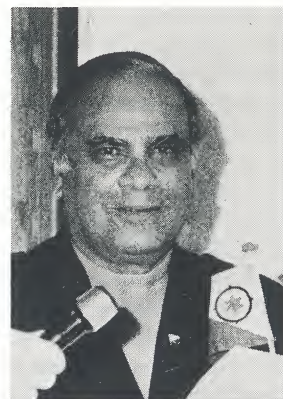
Finances

The immediate responsibility for this deplorable situation does not lie with the Bonaireans themselves. When Aruba and Curaçao were experiencing their oil (refining) boom in the early fifties, it was decided at the 1954 Round Table Conference to institute an island regulation — called the ERNA — which obliged the National Government to supply the smaller islands with a proper administration and take care of possible deficits.

Bonaire, on the other hand, never appreciated the implied meddling in its local affairs, but on the other hand increasingly needed the financial assistance. The estimated deficit for 1985 is Naf. 24,856,658.—. The national government is prepared to contribute only Naf. 14.8 million, arguing that Bonaire should somehow cut down its expenses. The basic question of course is the definition of 'proper administration'. Says Mr. Monchin Soliana, Bonaire's commissioner of Finance, "The Central Government never provided us with the properly qualified personnel in the tax-inspector's office. Large amounts of due taxes have never been collected. In fact there is not even a chief tax inspector on the island". Consequently it is felt to be a great injustice that the Bonairean civil servants are now presented with the bill. The delay in



A. Sealy



S.G. Soliana

their payment, moreover, has a further adverse effect on the small island's economy.

Governments

Bonaire's financial woes have a political dimension as well. As the elections for the national parliament (STATEN) and the island council are not held simultaneously, the situation has arisen that Bonaire is presently represented in the national parliament and even the cabinet by the leader of the island's opposition, Mr. Rudi Ellis. The political majority on the island backed by the trade-unions has accused Mr. Ellis of obstructing the flow of assistance from Willemstad to Bonaire for petty political reasons. Mr. Ellis, who

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lost the island elections in 1983 after having been in power for 14 years, denies the charges vehemently. "The island government", he says, "is responsible for the payment of the civil servants. To accuse the national cabinet of refusing to forward the required funds is an outrageous lie!". He maintains that the island government has never forwarded proposals with regard to taking the island's finances in hand.

But, it is pointed out on the island, the present trouble is largely caused by the former island government (of Mr. Ellis) which did little financial planning. Says Mr. Aubrey Sealy, president of Bonaire's Chamber of Commerce, "None of the island governments of the recent past has taken proper care to maintain financial credibility. Only the present government has made an effort to draw up a responsible financial policy, the effects of which, however, are not yet known".

Guarantees

The delay in payment of salaries has caused great anxiety on the island. Many realize that the year has still some seven

months to go before a new government budget will be approved. In the meantime it is by no means certain that the Bonairean government will be able to meet its financial responsibilities.

Those immediately concerned are understandably shocked and as a result carefully reappraising their spending habits. But not only they are beginning to feel anxious with regard to the future. Also banks and shops are beginning to worry about the credit worthiness of their clients from this sector. Says Mr. Sealy "In Antillean society it has long been an unwritten law that civil servants were granted a number of financial privileges. After all their income was considered absolutely secure. This suddenly does not seem true anymore, a development which has caused bewilderment in the private sector".

A guarantee that the situation will improve within a reasonable time limit cannot be given. It will take some time for the ongoing attempts to economize the government's operations to take effect. Bringing back the size of the civil service to an acceptable level will not be easy because of the long tradition of political pat-

ronage. A serious drawback for Bonaire is also the fact that the more capable people usually leave the island for the sake of career building.

On the other hand it should also be noted that the island government has recently employed an economic adviser Mr. Deis Schermer to assist it in planning a diversification of the economy. Comments Mr. Schermer: "A proper planning is required to bring about the necessary changes in the economic structure of the island". He is of opinion that the productive sector, industry and tourism in particular, has to be stimulated with a view to creating labour rather than the social sector. He is convinced that Bonaire offers a market for small-scale industries and is proud to note that the island is the first to have adopted a five year plan to get the economy going. Experts from Holland and the EEC will assist in the implementation of the plan. Probably the most important aspect of this development is that Bonaire's decision-makers are now clearly intent on making the island less dependent on outside assistance in order to preclude situations as have now arisen in the future. ■

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Dee Scarr

DIVING AND WRITING

by Fiona McCall

Moray eels can grow to about six feet. They have mean faces and wide jaws which open and close with a snapping action as they swim around you. Their teeth are bared and so sharp they could take several hunks out of your flesh no bother at all. They are dangerous reef predators and most divers avoid them.

"Mr. Greedy" was a three-and-a-half foot Moray eel and though he was swimming towards me 20-feet under water, I was not apprehensive. For who could be scared of an eel looking for more hot dog? Or one that had a pet name? I was scuba diving with Bonaire dive guide and naturalist, Dee Scarr, an unusual lady whose "Touch the Sea" program is starting to gain international attention.

Her 1984 published book "Touch the Sea" is doing well on world markets; her photographs and articles appear in major dive magazines; she's the subject of one of the episodes in John Stoneham's recently released North American television series "The Last Frontier" and last month (March 1985; she was the anchor speaker for the Canadian Association for Underwater Science at their annual meeting in Toronto.

When she's not writing and lecturing, she's operating her unique "Touch the Sea" program in Bonaire, in which she takes divers on special underwater dives to introduce them to aquatic wildlife. Most of her clients are ordinary divers, interested in learning and seeing something new, but a growing number are marine biologists who are contacting Scarr about unusual marine behaviour patterns.

Not only does Scarr teach one how to approach and make friends with marine animals, but she also demonstrates and believes that with the right approach and attitude there is nothing to fear from the so-called reef predators (she's even handled small sharks in Australia's Coral Sea).

A favourite place for her to take her clients diving these days is under the old pier at Kralendijk. And now, on her 306th dive there, she knows her way around — and the underwater creatures who live there certainly know her. Her white truck parked by the water's edge is a familiar

sight in Bonaire and if it's there at night the tugboat captains flash their lights as they come in or depart.

"Number One", the first Moray eel Scarr usually visits was not in his usual place, so we swam over to some gently waving sea anemones, growing at a depth of about 20 feet. First Scarr showed me how to let the anemone gently cling to my fingers and pull them under. This creature looked like a plant — but it ate like an animal, sucking on the small bits of hot dog Scarr offered it.

Scarr knew exactly where the spotted cleaner shrimp would be on the anemone's waving tentacles and she gently plucked him out and set him on my fingers. He assumed that I, too, wanted cleaning and went at my nails good style! By this time, an angel fish had come around and was trying to attract Scarr's attention. I could almost hear her saying "Here, sweetie," as she opened her peanut can of food and held out a hot dog.

A group of grunts swam up and this time I also got to offer them some hot dog. In and out the fish darted, whacking off quite big pieces of dog. It was noticeable, however, that they much preferred to take food from Scarr than me. A scallop in a saucer-shaped shell was our next creature. Scarr held it on her hand and sudden-

ly the shell opened. There was just enough time for us to see beautiful fringes and blue spots inside before she swam off, making like a Spanish castinet as she opened and closed her shell through the water.

Though Scarr goes back again and again to interact with life under the pier, she's never bored. "It's like getting to know your neighbourhood", she says. "The more you explore it, the more there is to see". She can give her clients an interesting dive because she knows where all the animals are, but for her excitement is that on almost every dive something new will happen.

Take the octopus. He lives in an old pipe, an empty crab-shell and other paraphernalia at the entrance giving away his presence. Scarr was pleased to see him back as he hadn't been there all week. Spontaneously she gave him one of her diving gloves and he eagerly took it. Scarr eased back a few paces to see what he would do. He pulled the glove into his pipe and, then, for the first time, came all the way out. He seemed to hesitate and then swam for Scarr's hand resting on the sand.

To our utter astonishment, he curled his tentacles round her fingers and led her — at least her hand — into his house! Some extraordinary barrier had been broken and

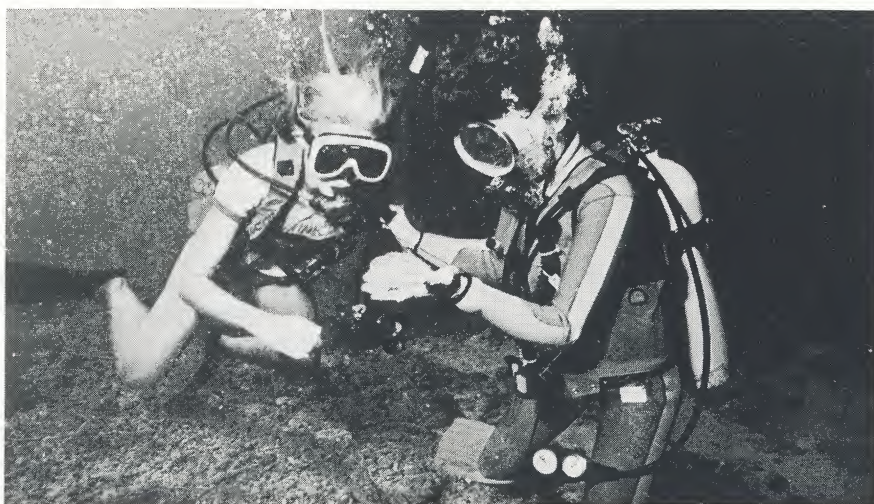
Octopus



the octopus was clearly making friends. Scarr was still bemused as we swam over to some tyres at the end of the pier and, now 30-feet under, she opened her food box and took out some raw fish. This was the signal for "Mr. Greedy", the Moray eel she's been befriending for two years, to come out.

He rubbed himself against her wet-suit and allowed Scarr to stroke him under the chin. He's learned some manners over the years and now says hello before he takes any food. Scarr warns that for the novice diver to try to feed raw fish to an eel is dangerous. The eel can get very excited. He's short-sighted and his frenetic behaviour may scare the diver. "It's his eyesight you should be worrying about, not his teeth," says Scarr. "Hot dogs won't get him so excited".

Miami-born Scarr has paid her dues when it comes to diving. Like many women, she was encouraged to go into a safe profession rather than follow her love for the sea, which has always been strong. She majored in and then taught English for six years in Miami before she gained enough confidence to break away as a dive instructor in the Bahamas. She came



Dee Scarr(right) and author

to Bonaire in 1980. Now there's little doubt she's carving out an international reputation as a dive naturalist. She's one busy lady who has over 3,000 dives to her credit and who dives at least twice a day and often at night as well.

Her book "Touch the Sea" is not only a guide to underwater life but it is completely unique in that it profiles many of the fish personalities with whom she's had an on-

going relationship for one to three years. Her first children's book, "Coral's Reef", is due out in November of this year. It's no use trying to date this attractive and fascinating personality, though.

For more information on Dee Scarr's naturalist dive program, write Dee Scarr, Touch the Sea, Kralendijk, Bonaire, Netherland Antilles. ■

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**THE NATURE AND FUNCTION OF CURACAO'S TRADE-UNIONISM
AS REFLECTED BY ITS LEADERSHIP**

by P.C. Verton

The roles played by the leaders of Curaçao's labour organizations are many. They reflect the diversity of functions the movement has in the island's society and vary from agitator, negotiator, champion of society's underdogs and self-serving opportunist to defender of the nation's cause abroad. In the following pages an attempt will be made to analyze these roles with a view to furthering a better understanding of Curaçao's unionism.

After a brief look at the history of emancipation towards independent leadership, each of the abovementioned roles will be focused upon. In a final paragraph the question will be raised what demands will have to be met by the union leadership in order to function responsibly as 'a social partner' in the future management of the island.

Trade unionism developed on the island mainly in the period between the port strike of 1922 and the 'revolte' of the 30th of May, 1969. In the first mentioned year a dockworkers- union was established under the auspices of the Roman Catholic Society of Curaçao, which was founded shortly before that. A detailed account of what subsequently took place has been recorded by A. Römer and H. ten Napel amongst others. In general the following can be said. In Curaçao too it were religious leaders who took up the cause of social justice and strove to improve the situation of the poor and the needy. The ideals and concepts that gave birth to the

labour movements were both disseminated and translated into local terms by them. They were instrumental in the establishment of trade- unions, stimulated the foundation of co- operative societies, scout movements and sports clubs. The church used its influence to bring about social laws like the Health Insurance Act of 1937 and the Act on Child Labour of 1939, forbidding the employment of persons under 13 years of age.

After the second World War, however, the influence of the Church diminished rapidly. The introduction of universal suffrage, parliamentary democracy and internal autonomy put an end to the lead-



Willemstad May 30, 1969

One of the most interesting phenomena in Curaçao's society during the past few months has been the dynamic part played by the trade- unions. In particular the Chamber of Unions took the lead in urging the Government to come forward with an austerity programme aimed at salvaging the economy. Some of their leaders took the initiative to travel to The Hague and Caracas to lobby on behalf of the island in order to forego a possible closure of Shell's sixty years' old refining operation in Curaçao. On the economic front they were deeply involved in establishing and planning the establishment of small industries. Late April they launched a ten- day series of workshops aimed at conscientizing their members (and anyone interested) with regard to the economic and financial

issues confronting the island. In brief the leaders of Curaçao's unions or at least some of them took upon themselves the role of agent for economic renewal. The developments, feared by some and applauded by others, was the

**CHOICE OF LATEST ROLE
DOES NOT PROMISE UNIONS
A BED OF ROSES**

topic of a discussion between AR and Union- leader Waldie Ong- A- Kwie, one of its principal promotors. Some excerpts from that discussion:

On the unions' role

'We have very consciously chosen for this role of promoting industrial develop-

ment, which I guess is quite unique in the history of trade- unionism anywhere. When the present cabinet was formed last summer (and to our dismay the majority party MAN was pushed aside) we had two choices. We could either turn against the government and cause as much trouble as possible or direct our energy at rebuilding the island. We chose for the last option. Curaçao after all is more important than our political preference. And in my opinion, no- one can say that we did anything to put a spoke in the government's wheel. On the other hand we were the moving force behind the establishment of Curaçao's Development Co-operation (Korpedeco), of the recently opened rice- hulling works (Alesi) and a number of other industrial initiatives. In this economic development process we are playing a catalyst role. Why? Because we believe

ing role the Church had hitherto played in the labour movement. Political leaders took over and after 1948 it were they who promoted the development of the labour movement on the island.

"The union- members of today are the voters of tomorrow". It was probably this thought that prompted the political leaders of the fifties to promote the establishment of new unions. Soon the political picture was reflected in the labour movement. A number of unions were affiliated to the Democratic Party, others kept strong ties with the National People's Party. The labour revolt of the 30th of May, 1969, in turn put an end to these marriages between labour unions and political parties. From then on the union leadership went its own way. No longer was the guidance or supervision of outsiders, be it priests or politicians, acceptable. The emancipation of Curaçao's union leadership had become a fact.

Agitators

Union leaders were firebrands. During the port strike of 1922 Chacuto was arrested and sentenced to imprisonment. In 1969 Godett underwent the same fate. In 1936 Da Costa Gomez having been involved in a strike at the Shell refinery was transferred to the Windward islands. The first efforts of workers to organize themselves were followed by a struggle for recognition. Once more the persons forming

the vanguard experienced how vulnerable they were. At the Mijmaatschappij Curaçao residence permits were withdrawn of a number of candidates for union leadership. As a result they had to leave the country. During the early fifties the labour movement's weapon par excellence, calling a strike, could not be used heedlessly in the struggle to have union leaders recognized as acceptable negotiating partners rather than unwanted agitators. Article 138 of the Penal Code made inciting to strike a criminal offence. The 'agitators' could thus be imprisoned. In 1956 the article was deleted from the Penal Code.

The battle for recognition was not fought simultaneously in the respective industrial sectors. The harbour came first and became a trendsetter. As early as the fifties labour leaders of the dockworker's union were accepted as negotiators. In order to arrest the rampant unionism the refineries during that same period installed advisory committees of employees. Appointed by the management the members of the committees were invited to advise on personnel policies. This of course was a far cry from unionism.

During the sixties the battleground for recognition was transferred to Curaçao's latest investors, the American hotels. In the early seventies a conflict between union leaders and Texas Instruments with regard to recognition of the former led to the closure of the company on the island.

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In 1978 the trade unions acquired legal recognition. From then on management had no choice but to deal with union leaders as representatives of their employees.

Negotiators

In the period 1960- 1970 union leaders struggled to secure collective labour

that our economy must be democratized. Up till now it has been in the hands of only a small band of people. We, the trade-unions, have to be accepted as partners in the decision-making process. What I mean is that we must establish a labour economy. Or if you like a mixed or democratic economy. Simply put: the pie should be sliced more equally both with regard to decision making and proceeds.

On ideology

When AR queries the phraseology Mr. Ong- A- Kwie states bluntly: "Sure there are those amongst us who believe this should be a movement of the masses, that free enterprise ought to be abolished. But I call those people salon socialists. We are living in a free- enterprise environment and should never forget that our only natural resource consists of our human capital. In order to provide our people with a maximum opportunity for development we need the assistance and co- operation of

that environment. And I see no role for the communist world in our society".

"The leftists in the trade- union movement do not worry Mr. Ong- A- Kwie. They are only a small group and their influence has steadily diminished during the past three to four years", he says.

On the economic structure

"Our economy consists of two levels. On that part of it which earns us our foreign exchange we as a non- exporting country have little to no influence. The second level, our local economy, is too much dominated by the commercial sector. Now if the first level falls away, the second is finished also. That is why we are of the opinion that we have to change over from a commercial to a mixed i.e. commercial and industrial economy on the local level. Even if Shell decides to stay we have to rebuild our local economy. Import replacing industries have to be estab-

lished. Also export oriented enterprises, which are usually capital intensive, have to be attracted. In particular in the field of high- tech production there are, I understand, possibilities. As neither the entrepreneurial sector nor the political powers that be are taking any initiative in this direction, we the trade unions feel we have to take the lead. We realize that this is quite an extraordinary experiment. We also realize that taking upon ourselves this role does certainly not promise us a bed of roses".

On the required know-how

When we raise the question whether the unions are capable of undertaking such a huge task, Mr. Ong- A- Kwie comments: "I do not see a problem. What we will have to do is to hire foreign expertise and make sure that the required know- how is in time transferred to our people. Where I do see a problem is with our trade- union

agreements and the improvement of labour conditions. This was by no means an easy fight. Although they were by now accepted by most companies as representing the workers, the economic situation did not leave them much room for success. SHELL Curaçao, the largest employer on the island, was forced to reduce its costs and to start a process of automatization. In order to enlarge the economic basis and create jobs for the many unemployed, wages were being kept at a relatively low level. New ventures were offered a number of incentive facilities among which a tax holiday. As a consequence demands for wage increases had little chance of success. On several occasions so-called cooling-off periods were announced to stem labour conflicts. Workers, moreover, could still be dismissed without permission given by the authorities.

The practice of employing the services of subcontractors, who because of the high level of unemployment were able to perform work at a much lower cost, created a situation in which the same work was remunerated unequally. The union leaders protested against this and demanded equal pay for equal work. They also demanded an end to the system of free hire and fire, proposing the introduction of a dismissal law. When the revolt of May 1969 put an abrupt end to the entrepreneurial climate of the sixties, things changed

and labour unions now had the opportunity to have their demands complied with.



After the smoke over the centre of Willemstad had lifted and the government had stepped down, it was clear that the trade-union leaders had secured themselves a place in the corridors of power. From that time on they not only negotiated with employers but also with the government itself. A labour friendly climate came into being. Union leaders now became truly the promoters of the workers' emancipation. The minimum-wage Act of 1973, introduced under pressure of the labour movement, guarantees to a certain extent equal pay for equal work. The dismissal law introduced in the same year obliges employers to ask the director of the Department of Labour and Social

Affairs permission prior to giving someone notice. The legal recognition of trade-unionism (1978) has already been mentioned. The redundancy payment ordinance of 1983 is the latest victory the unions scored. During the seventies in general the overall situation of the labourers improved considerably due to the involvement of the trade-union leaders.

There is, however, another less positive side to the story to be told, which we will now focus on.

Opportunists

The power of labour unions is founded on numbers and unity. The larger the number of members, the larger the influence that can be exercised. The stronger the unity, the longer a union's power will endure. This does not apply only to the relationship with employers. Also with regard to the competition between union leaders the law of numbers and unity applies. Where two candidates compete for the union leadership, the size and unanimity of their following will eventually decide the outcome. A principle which already manifested itself in the harbour in the fifties and is still valid.

Competition between trade-union leaders has not been incidental. On the contrary, internal strife between union leaders has been a permanent element in the developments described above. A

leadership. Will we be able to keep things in hand? If not we are initiating a development, which might easily run away from us".

He explains that within the union movement at large there is a group of leaders who do not wish to understand what he and a number of his colleagues are aiming at. They prefer to adhere to the traditional role of the unions in society.

Others are willing to proceed on the projected course but do not really grasp its implications. "There is a very real danger of a growing gap in understanding between the leadership and our members. But the train has started rolling and it cannot be stopped anymore. All we can hope for is to pull those left behind on the platform on board while we move ahead".

On the political inferences

When we suggest that by taking upon

themselves this new role the trade-unions will become even more a political force in society than hitherto and that such a development might disrupt the democratic framework, Mr. Ong-A-Kwie agrees in principle but says: "Our choice is to continue performing as a watchdog or found our own political party. Personally I do not favour the last option. But we cannot, on the other hand, abstain from putting pressure on the government when necessary.

Take the present situation. We do not deny that we are putting on a threatening act. The austerity programme of the government is too limited. Something will have to be done to bring the general price level down. Now we are still in for a constructive dialogue. But if necessary we will take action. We have in the past more than once caused the downfall of a cabinet".

Mr. Ong-A-Kwie is of the opinion that during the past two months great opportunities for co-operation were lost. When the seriousness of Curaçao's economic development dawned upon all and the social partners met to see what could be done in the so-called 'kumbre' there was a sincere willingness to join forces in warding off disaster. He feels that since then the unions have been left out. "There is no real contact anymore with the ruling powers. We are not being informed about even the developments concerning Shell". He is clearly vexed about what he considers a conscious effort to keep the unions at bay. "Nevertheless", he says, "we are still willing to reopen a constructive dialogue". ■

phenomenon which becomes understandable when one realizes that a career in the unions offers besides advanced education or politics a third way to climb the social ladder. Will not several of the labour leaders of today be the ministers of state or higher civil servants of tomorrow? This internal strife, however, is rarely to the advantage of the workers. Too often it has happened that their interests were sacrificed on the altar of self-interest. Not unjustly union leaders have therefore also been accused of opportunism. And even today this rather loathsome attitude can be observed, when mutual distrust and non-compliance obstruct most necessary co-operation; when efforts to end the discord between the unions fail because of personal antagonism.

Independent initiators

Since 1969 the role of the union-leaders has acquired a much more distinct profile. Together with the representatives of the employers their advice and involvement is sought by the government with regard to socio-economic policy making. At the occasion of a cabinet formation the Governor, the Queen's representative, officially hears their opinion. They are involved in the process concerning constitutional changes. They have taken the lead in conscientizing the population with regard to political issues.

The critical insight that the Round Table Conference of 1983 resulted in a number of unworkable agreements was first voiced by the union-leaders and not until then did it become the politicians' point of view. Several political initiatives were taken by the unions. Twice they were instrumental in bringing down the government. A labour party was formed. During the past years union-members were publicly advised by their leaders as to what party to vote for. This in turn has led the political parties to compete for the support of the unions.

Lately union-leaders have taken upon themselves the role of independent initiators with regard to socio-economic policy-making. Apparently the need for such a role, which is essentially a political one, is felt. Is it because they feel they have to step in for the not so very alert administration? Are they substituting for parliament? Or is their role one of progressive opposition? In fact these three different aspects come alternatively to the fore. The most recent example of this development is the initiative union-leaders



P.C. Verton

took with regard to the Shell issue when they travelled to Holland and Venezuela to discuss with unions and governments the chances of saving Shell for the island.

Social partners

In the long run the position of the union-leaders could stabilize itself by becoming in the true sense of the word: social partners. By which is meant that they would become a partner to the ongoing consultative process between the government and free enterprise. Consultations which are not restricted to the issue of demand and supply of labour, but which touch on a much wider range of subjects such as the functioning of government, socio-economic policies and constitutional matters. But in order to fulfill this role union-leaders will have to be willing and capable to shoulder important responsibilities which regard the entire population.

A first example is the practice of late to publicly issue an election recommendation. By doing so union-leaders take upon themselves a rather big responsibility. To declare which politicians should have the voters' confidence should be backed by sound arguments. Such recommendations can only be given when based on well defined expectations with regard to future policies. And such expectations can only be derived from clear and distinct pronouncements on the matters of state. But when such carefully articulated opinions are not being heard — as is the case in the Antilles — there is no basis for clear-cut expectations and consequently no cause for recommending the electorate responsibly. In the present circumstances such a practice amounts to collaborating with a failing political system. Union-leaders who do so indicate that they are either incapable or unwilling to take upon themselves the role of social partner!

The participation of union-leaders in

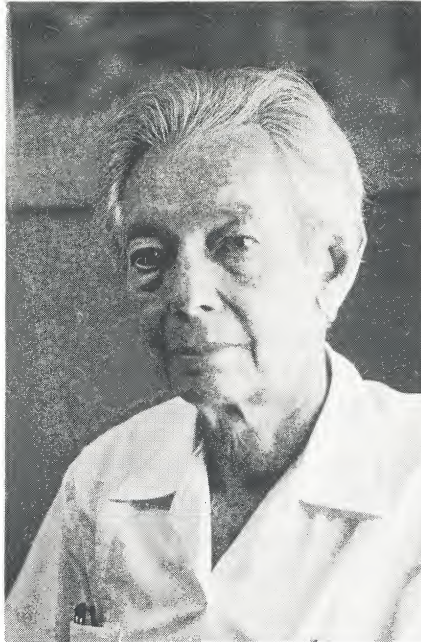
the discussions concerning the socio-economic climate offers a second illustration of the point in the question. During the sixties the main drive was to acquire more prosperity and one could define the climate of that decade as entrepreneurial oriented. In the seventies the accent was put more on distribution rather than acquisition of material welfare. In the present decade there is little left to share and a middle course will have to be charted out.

For example the question should today be raised whether the so-called dismissal law has not outlived itself. Who is still protected by this hard fought for measure which has become a right? A continually diminishing group of workers, for no law can turn back the inevitable decrease in available jobs. The growing army of unemployed is not protected by it. On the contrary, the existence of such a law appears to be prohibitive to the creation of new jobs. According to employers potential investors are scared away by this kind of farreaching social legislation. A contention which cannot be proven as potential investors decline to admit publicly to it. Labour-leaders who maintain that this is not the reason why investors are staying away, cannot prove so either. But as the percentage of unemployed keeps increasing, it might be advisable to give the issue the benefit of the doubt. If modifying this particular piece of legislation could offer new perspectives, it should be tried. And the question is whether union leaders obstructing such a modification can (with a view to the prevailing circumstances) be called social partners?

A third and final example is the measure of responsibility demanded of those involved in the decision-making process with regard to the island's constitutional future. The questions raised by this issue are not easily answered. How should Curaçao use its right of self-determination? What are the pro's and contra's of the independence Holland wishes to saddle the Antilles with? The answers to those kind of questions will have far reaching consequences for the country and its people.

The role of social partner demands of the union-leaders (and likewise of the other partners) a contribution which with regard to involvement and capacity is quite different from all other roles. Whether Curaçao's union-leaders will strive towards that measure of involvement and acquire the necessary capacities is a question they will have to face up to in the near future. ■

THE TRIUMPH OF COMMON SENSE



Claude Wathey

If reporting on the Netherlands Antilles in general is presently a depressing affair, Sint Maarten at least constitutes the proverbial exception to the rule. In sharp contrast to the developments on the A-B-C- islands, it is prospering as never before. AR's suggestion in November 1984 that St. Maarten might soon outstrip both Aruba and Curaçao and become the leading island in the Netherlands Antilles, appears already to be confirmed by the continued rapid growth of its tourism industry, off-shore banking sector, construction and industrial activities. During the first nine months of 1984 non-resident arrivals on the 37 sq. miles Dutch-French island were up 24.5% as compared to the same period in 1983 and have continued to increase since. On the French side alone 600 hotel rooms are today under construction. The new airport terminal presently being built will when completed later this year help to ease up the often chaotic situations on arrival and departure but certainly not solve them. The pace of developments has simply outdated the only two years old planning. Off-shore banking, although less visible to the visitor's eye, is growing and already contributing substantially to the island's income. On several locations small industrial parks have sprung up during the past 18 months indicating a healthy diversification of the island's economy. Applications for the establishment of a number of export oriented industries, AR learned, have been forwarded to the island government for approval. The increased harbour activities have necessitated the soon to be commenced construction of a new Roll-on and Roll-off pier. Large cruise ships anchoring off Philipsburg is a common if not daily sight.

These in comparison to the other Antillean islands surprising developments obviously did not occur per chance. On the contrary they were initiated and facilitated by policies welcoming foreign investments and know-how. As a result the island knows no unemployment and has to import workers from elsewhere. It should be observed that Curaçao during the past 15 years followed diametrically opposed policies concentrating on social welfare and Antilleanization, and consequently creating a situation prohibitive to foreign investors. If indeed the proof of

the pudding is in the eating St. Maarten's government at least in that respect has done a far better job. After years of criticizing St. Maarten's political leader for thirty-one years, Dr. Claude Wathey, Curaçao's politicians might do wise to heed the lesson presented to them by today's developments. More so as St. Maarten has now become an increasingly powerful partner in the inter-island relations. Its growing economic strength and the imminent departure of Aruba places it in an equal position to Curaçao. Discussing the latest developments in the country and on St. Maarten with Dr. Wathey AR has little doubt that he at least is fully aware of this significant change in relationship.

Time wasted

Dr. Wathey, who was instrumental in the formation of the present cabinet, expressed deep concern with regard to the ongoing efforts to reach agreement with Aruba on a score of issues before January 1, 1986, the date on which Aruba will acquire status aparte. Far too much time, he feels, is being spent on inter-island summits. As all parties are bargaining for positions which favour their own island, little to nothing has been achieved by these meetings, he says. He notes a reluctance to take decisions and is of the opinion

that parties ought to concentrate on revising the charters of the Kingdom, the inter-island relations (ERNA) and the Antilles of the five.

Reminded of the 1983 RTC's stipulation concerning close co-operation between Aruba and the Antilles of the Five, he points out that the situation today is drastically different from that of two years ago. Taking as an example the Solidarity Fund, instituted to assist the smaller islands and to which Aruba, Curaçao and Holland should contribute, he says: "Let's be fair, whatever we agree upon on paper we all know that in reality Aruba cannot contribute to the fund". With a view to the economic developments on Curaçao this may soon also be true of that island. "We should treat each other as nations", he says "and push on with the constitutional issues. The future will teach us what agreements on which issues are needed".

Lack of clarity

The amount of time spent on the summits, according to Dr. Wathey, has moreover caused a serious backlog in the Central Government's work. He notes that the Cabinet has obviously not been able to spend enough time on the preparation of its austerity programme. "I don't think it was complete when they issued it. Only the government sector has been dealt with and there is no clarity on the rest", he expresses as his opinion. Bringing down the cost of living by controlling the prices of consumer goods is both possible and necessary, he says.

Having just learned that vegetables sold in the Antilles and bought in Miami often originate from Sto. Domingo, he suggests studying the regional markets and issuing import licenses only to those who are willing to import from the lower priced ones. When we point out to him that such a measure would only increase government involvement and consequently might be highly inefficient, he agrees. On the other hand he points out that the business community has failed entirely to shift to cheaper markets. The reputation of Curaçao's business community in particular appears to be highly overrated.

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When we raise the question of the Antilles's future, all he has been saying thus far falls into place. "For the five to remain ▶

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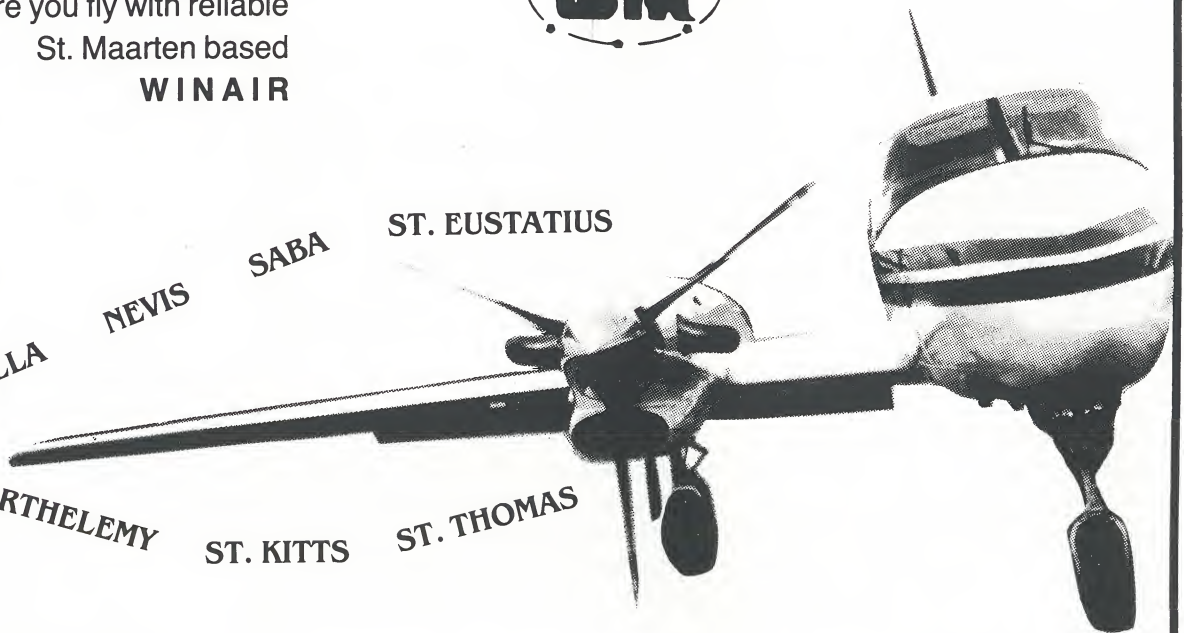
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an entity", he states, "asks for a lot of decentralization". An observation which applies in particular to Curaçao and Sint Maarten. "If that does not happen it could lead to a splitting up between these two islands" Dr. Wathey says. He immediately adds that Sint Maarten is fully willing to join the new Antilles of the Five, but observes that in the future different men with different views may rise to power.

The implied warning seems to go far beyond the cry for independence by Sint Maarten's tiny and ineffective opposition. An opposition Dr. Wathey does not really fear, as it has never presented a constructive alternative. What he does mean may possibly be deducted from the following two remarks.

Devaluation

When discussing the possibility of a devaluation of the Antillean guilder he points out that such a measure would be disastrous for Sint Maarten. "We are a dollar island and if a devaluation would come to pass, we would be faced with a similar situation as recently developed on the French side where the local people are paid in francs according to French standards". Presently, he explains, most people including civil servants are having some kind of extra income enabling them to make both ends meet. But if their main source of income would be devaluated, they would be in a very bad spot indeed. When pressed what Sint Maarten's attitude would be if the Central Government would decide to devaluate, he reluctantly admits that under the present constitution the island would have to follow suit and offers as his opinion that it would be wiser to adopt the US-dollar as the official currency. A study to that effect, he tells AR, is presently being undertaken.

Holland

A second telling remark is his observation that the Antilles should change course with regard to Holland. "Presently we are too much geared to the Netherlands" he maintains, meaning that under the Kingdom protocol it is extremely difficult to get development assistance from other countries. A revision of the protocol coupled to a far reaching decentralisation of government would certainly be to the advantage of Sint Maarten. He tells of offers made to him by representatives of Taiwan, Mainland China and the USA.

Offers, it should be observed, made to Sint Maarten.

Housekeeping

The conversation next turns to the remarkable economic growth of his island of which few will deny him to be the main architect. In tune with his personal modest life style he does not waste time gloating over what to a large extent is the successful result of his own policies. Instead he expresses concern with regard to a number of developments or rather the lack of certain developments on the island. He is particularly critical of the Hotel Association, "which does not realize that the industry is at its peak. Instead of taking care to maintain our success they are only intent on climbing higher and higher. Great amounts of money are still being spent on promoting the island. But we are written about enough and should take care to refurbish our hotels and put a stop to outpricing ourselves. We should stay home" he says" and first of all do our housekeeping". He is even more critical of Sint Maarten's Chamber of Commerce, which he labels "as impotent as you can find anywhere in the world"! He points out that the island's really successful businessmen became what they are before the chamber was created and have little use for the way the organization is run. "The chamber's set-up is all wrong" he main-

tains citing as an example the exclusion of the fast moving Indian and Chinese community from membership.

When we raise the question whether his government is keeping up the pace with the accelerated developments he has no problem admitting "we are far behind". He does explain, however, that his government's policy has been the opposite from the one followed on many other Caribbean (and Antillean) islands. There, according to Dr. Wathey, all energy and funds were directed at creating an up to date infrastructure. "We brought in tourism first and when our efforts appeared to be a success — we have never seen a decline only growth — we began correcting the infra-structure". He pointedly adds that his government is asking for assistance in this effort after it has proven its ability to attract tourists and not the other way around. He mentions the need for road repair, a proper sewer system, garbage disposal, housing and school buildings. Needs which are becoming more urgent now that many Sint Maarteners who used to live and work on Aruba and Curaçao are forced to return to their own island by the economic decline in those places. With a view to the dynamic developments on the island and the common sense approach of its government there need to be little doubt that these needs will be solved in due time. ■



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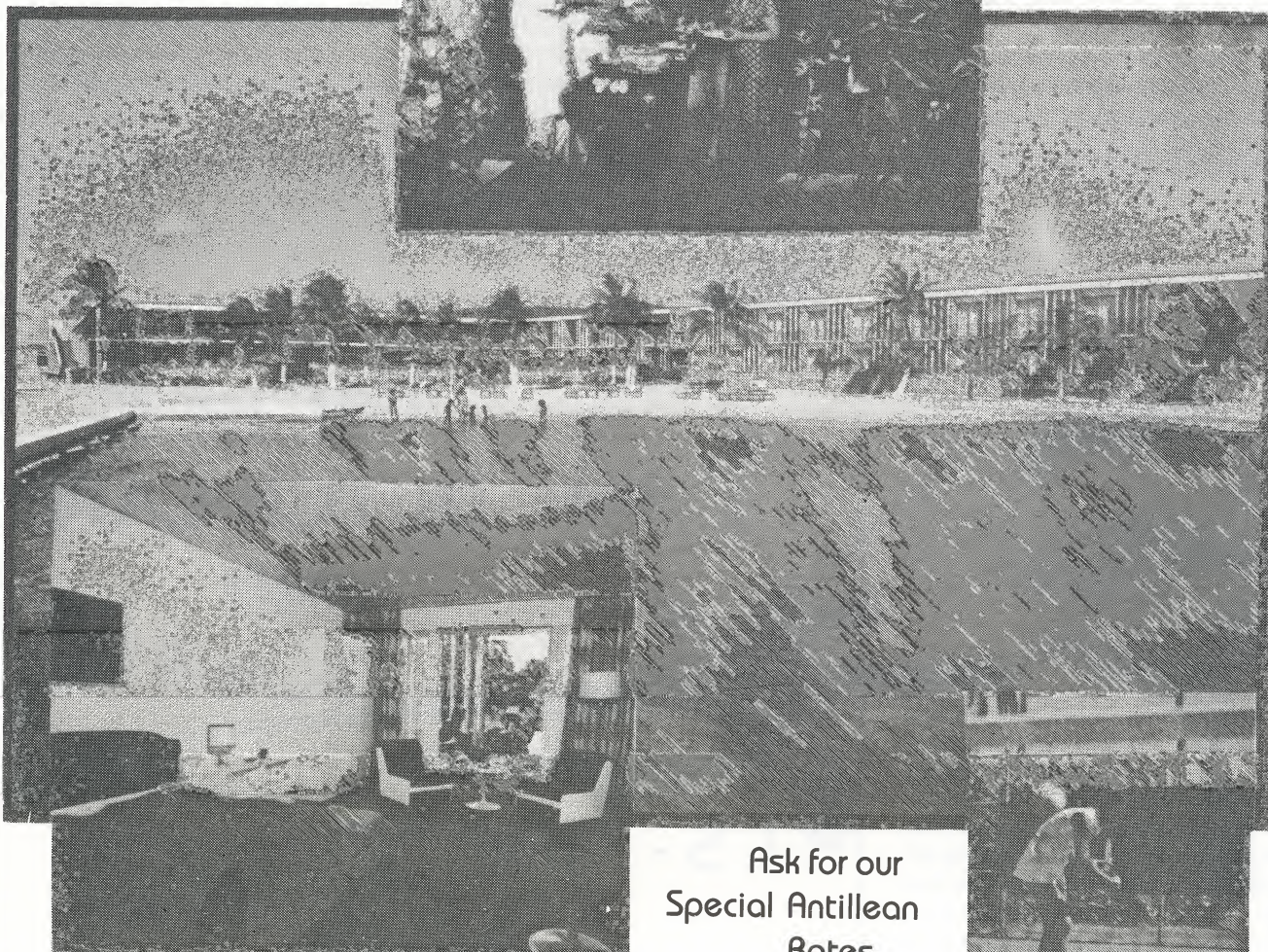
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The year 1984 was characterized by a drop in economic activities, resulting in less foreign exchange earnings. Less external expenditures could not compensate and consequently the balance of payments for 1984 showed a deficit of f70 million. The major factors appeared to be tourism and oil refining which both recorded a fall in revenues compared with the preceding year and especially with 1982, the last year with a growth in foreign exchange earnings. However, the decrease of f100 million in 1984 was substantially less than 1983 when a drop of f376 million was recorded. Obviously the measures taken to adapt to the current circumstances are already been showing results. This trend of falling revenues as a consequence of reducing activities and adjusting measures continued in the first quarter of 1985. The level of foreign reserves remained rather stable, mainly due to a farewell payment of about f50 million by Lago Aruba when closing down its refinery as per the end of March 1985. Shell Curaçao postponed its decision and continues operating for at least three months. This delay was granted on request of the Dutch Prime Minister. The social partners on Curaçao in the meantime reached an agreement to reduce the overall wage level by a general measure in order to improve the competitive position and to decrease domestic spending, which will have a positive effect on the balance of payments. However, the problem of the constitutional future of the Netherlands Antilles remained unsolved thereby hampering the execution of the necessary economic measures to restore economic growth.

Foreign reserves

Foreign reserves fell last year by f70 million to a level of f212 million with the Central Bank and of f62 million with the private banking system, totalling f274 million, excluding a gold stock of f41 million, which is still valued at \$42.22 per troy ounce fine gold in the books of the Central Bank. The market value of the gold stock is about f300 million, bringing the total value of the external reserves to f576 million. This amount is equal to 5 months worth of imports and thus could still be considered satisfactorily high at the end of last year.

This level remained relatively unchanged during the first quarter of 1985. In January a drop of f4 million was recorded, but in February reserves increased by f7 million. The month of March also showed a net growth due to the transfers by Lago Aruba for severance payments. An amount of f45 million was paid through the local banks, while f8 million was transferred to the Lago Thrift

Foundation to redeem outstanding debts of its laid-off personnel. Lago still has to pay an amount for profit tax, but beside this transfer, foreign reserve will only benefit from a small monthly payment, which Lago has to transfer during the remaining months of this year to maintain the empty plant. Exxon incorporated an agency for the sale of its oil products on the local market, but the cost of this operation will probably be far less than the revenues received. So on a balance foreign reserves will not grow anymore in the future because of Lago transfers.

Constitutional issues

The consultations between the Island Governments and Federal Government about the future cooperation after Aruba starting 1986 has left the Netherlands Antilles and obtained its own "Status Aparte" within the Kingdom of the Netherlands, has still not led to necessary agreements and is hampering the decision making on financial and economic mat-

ters. The five islands, excluding Aruba, agreed finally with the Federal Government on the subject of the so-called solidarity fund, which is intended to give financial aid to the smaller islands. St. Maarten promised to contribute with part of its tax earnings.

Aruba is willing to cooperate with the other islands, but prefers to have its own monetary system. The introduction of the U.S. dollar by withdrawing the Antillean guilder from circulation on Aruba means an effective split-up of the foreign exchange reserves between Aruba and the remaining islands as per January 1, 1986. Aruba is using its part of these reserves to have it circulate. For this circulation in principle no coverage is needed. The function of a Central Bank, if any will be established, could be less in magnitude than would be the case if Aruba had chosen for circulation of only its own currency.

Balance of payments

The Central Bank released the survey of the external cashflow for 1984. In a completely open-economy such a survey can also be used as an indicator for the level of domestic activities. For the second consecutive year foreign exchange earnings showed a decline (table 2). The decline, however, was considerably less than in the preceding year. Obviously the measures taken to cope with the worsened economic situation were already bringing some results.

Change Total Foreign earnings.

1984:	54106 million(5%)
1983:	54376 million(15%)
1982:	53 70 million(3%)

The main category causing this fall appeared to be the transfers by the oil refineries which owing to some cost cutting measures were spending considerably less than in the previous years. Besides Exxon's Lago refinery paid less profit tax. Revenues from oil processing fell by f137 million or 31%, thereby influencing domestic spending and as such also imports of merchandise. Tourism has still not recovered from the heavy blow as a result of the Bolivar devaluation in the beginning of 1983. Recorded gross earning from tourism reached a total of f564 million, but surely revenues should be higher due to the statistical method used, which ignored quite a number of private cash transactions. The decline in gross earn-

ings occurred in Curaçao, which recorded only half the income of 1982. On a net basis Curaçao again showed a negative balance and stayed far behind the other major tourist islands Aruba and St. Maarten, which continued to expand this sector.

The breakdown of gross foreign exchange earnings per island is as follows (amounts in f million).

The financial offshore sector performed very well in terms of foreign exchange earnings and government income, despite the dark future because of measures taken elsewhere, especially in the U.S.A. These measures, such as the repeal of the U.S. withholding tax, will definitely cause a substantial reduction of these revenues. The beginning of the development occurred already last year when the inflow for operational expenditures, i.e. the domestic expenses of having a local office, declined for the first time.

The net capital outflow was the result of a deficit of f139 million for private capital and a surplus for government capital of f93 million. The latter was mainly influenced by development aid. Private capital referred to the purchase of foreign securities as well as borrowing and redemption of loans. Repayments on foreign loans amounted to f110 million in 1984, which was equal to the amount borrowed in the previous 5 years. However, during those years also repayments of f217 million had been made on outstanding loans.

Wages

The closing of Exxon's Lago refinery, the possibility of same with the Shell refinery on Curaçao and the expected decline in offshore activities will result in substantial less taxes and other related income to pay government officials. Both the Federal Government and the Island Governments of Aruba and Curaçao have to face considerable deficits in the next future that cannot be financed in the normal way. Besides the business sector will welcome some reduction of the wage level in order to retain its competitive position. This process started last year and has already lead to some results. However, a further reduction is needed to improve the competitive position of Shell Curaçao and other enterprises affected by the international recession.

Such a reduction of the wage level will also improve the balance of payments and hopefully will stimulate new investments

that are badly needed to restore economic growth and employment possibilities. In view of this a summit was held in Curaçao in which the political parties, labour unions and representatives of the business sector participated. They agreed on a scale of measures of which a general income measure, to put into force by the government and effective for the entire economy of Curaçao, is most important. This measure will affect not only wages but also other forms of income such as tariffs, profits and interest. Dividends to foreigners will be excluded. The extent of this decline in the domestic income level was not mentioned during the summit, but will be fixed afterwards as well as the tax to be increased to provide the government with more income. However, it was decided that direct taxes will not be increased.

The Aruba Government announced that effective April 1, 1985, the wages of government officials have been decreased by 7 3/4%. Further measures might be expected to cut wage expenses, including the release of personnel in order to reduce the expected deficit.

Banking

The money supply expanded during 1984 despite the outflow of money as a result of the deficit in the balance of payments. The growth amounted to a modest f26 million. In contrast to previous years, when the private sector accounted for the biggest contribution to money creation, the major contributor in 1984 appeared to be the Island Governments. They withdrew f91 million from their banking accounts, built up in the past with high tax earnings, and as such, according to the definition of the Central Bank, expanded the money supply. Lending by the banking system did not grow at all and stayed on a level of f1.043 million, compared with an increase of f120 million during 1983. A breakdown of bank lending to the private sector gives the following result:

Two banking institutions published their statements of condition for 1984. Maduro & Curiel's Bank reported a small increase in its consolidated balance sheet and a drop in outstanding loans, in particular on Aruba. Banco di Caribe published a considerable growth of both its loan portfolio and its balance sheet total. Both institutions refused to publish a profit and loss statement. Interest rates did not change. Government bonds yielding effectively about 10%, while savings

accounts paying 5%. The banks charged about 11% for overdrafts in current account.

Lago Aruba

After 60 years of refining more than 6.5 billion barrels of crude oil, Exxon's Lago refinery, once the largest in the world, shut down its doors. At a farewell party, the Lago president thanked the personnel for its sense of duty, diligence and self-respect especially in the last months. He expressed Exxon's appreciation to all the retiring staff for a job well done. Effective April 1 only 150 workers have been employed by Lago for the next months to execute the final agreements. They include the 25 persons that are employed by the new Marketing Company, Esso Petrolera, which will undertake the local sale of oil products. Although Lago had promised that no price increases were necessary because of closing of the refinery, later on approval was asked to raise the selling prices due to higher transportation and handling charges. In March a number of 950 workers were laid-off with the approval of the Government's dismissal commission. Lago had applied for such a lay-off in October 1984.

Shell Curaçao

Shell Curaçao postponed its deadline to the end of June, after intervention of the Dutch Prime Minister. So the Antillean Government got some more time to consider the four conditions set by Shell to continue its oil processing operations. The government already declared to meet most requirements: repeal of the minimum profit tax as well as a reduction of the wage level, while Venezuela promised to supply more crude. However, the government hesitated to accept the last condition and to buy two-thirds of the refinery's share capital.

Meanwhile a meeting has been arranged between representatives of the governments of Venezuela, the Netherlands and the Antilles in Caracas mid May. Shell declined to participate because of the political nature. Venezuela declared that for some years talks had been held about a possible participation of Venezuela in Shell Curaçao, but that there are no sound reasons to do so. Venezuela has enough refining capacity, but will not stand aloof from the Antilles, because of historic and geo-political reasons. Consequently Venezuela is willing to bear its responsibility, although it will not accept whatever costs are involved. Shell wants to sell a majority of its share capital to the

government of the Antilles and the negotiations are carried on between these two parties.

Shell Curaçao recorded an operational loss of f134 million for 1984, which is substantially higher than the 1983 deficit of f42 million. The operational loss is calculated before revaluation results of stock. When such a revaluation was taken into account the loss for 1984 amounted to f108 million. The operational loss was the result of higher expenses than the margin between purchases and sales.

The cost cutting measures which were taken last year resulted in lower operational expenses, but were not enough to compensate for the deterioration of the gross margin due to higher prices paid for the crude. In view of these circumstances the Shell Management proposed that starting April 1985 personnel expenses should be cut by 15% and also announced that 100 workers will be laid-off. Wage costs have to be reduced by the abolition of the christmas bonus and halving of the holiday allowance while the monthly salaries might be reduced by about 2%. The first two months of 1985 turned out to be profitable for Shell Curaçao, although the net amount was minimal. Still no losses were sustained. These months, however, cannot be considered representative for the entire year 1985. The small profit was the result of higher prices for oil products due to the cold winter and miners strike in Great-Britain.

C.O.T.

Although the final outcome for 1984 was not yet known, the tentative figures led to a break-even result. This result was possible despite a 50% decrease in activities due to the fact that C.O.T. operated last year on a contract-basis. In 1983 the company still recorded an operational profit. The break-even outcome for 1984 was the least favourable result in the history of the company. The management declared that no further information about the figures could be given.

However, prospects for the transshipment company are not favourable in view of the dead market and the fact that few new contracts could be obtained. To get more business the management decided last year to diversify in order to store more types of oil products and not only crude as was the case until last year. The spokesman denounced the rumors that the company would be considering to close its doors in view of the bad results. The matter had not been discussed and seemed very unlikely, he declared.

End of	March '85	Febr. '85	Jan. '85	Dec. '84
Assets				
Gold stock	41.4	41.4	41.4	41.4
Foreign reserves	225.7	194.2	190.4	212.0
Loans to:				
— fed. government	107.5	108.9	109.1	107.2
— fed. banks	1.8	14.4	1.7	6.8
— others	0.9	0.9	0.9	0.9
sundry assets	7.7	7.6	7.3	7.3
Total	385.0	367.4	350.8	375.6
Liabilities				
Banknotes	180.3	169.5	162.9	181.4
Deposits held by:				
— tax. collector	5.0	6.6	6.9	4.8
— isl. government	23.3	34.8	27.5	30.3
— giro Curaçao	6.9	6.9	6.7	6.7
— banks	48.9	27.2	19.3	22.8
— developm. proj.	26.1	31.8	35.2	38.4
— other residents	14.0	14.5	15.2	15.4
— non-residents	0.4	0.4	0.4	0.4
sundry liabilities	7.3	11.9	12.9	11.6
Capital and Reserves	63.8	63.8	63.8	63.8

	1984	1983	1982
Tourism	564	577	759
Transportation	317	317	377
Oil processing	307	444	513
Offshore sector	533	519	387
Other earnings ¹	388	358	449
Total earnings	2.109	2.215	2.485
Merchandise imports	1.390	1.500	1.658
Other payments	743	751	703
Net capital outflow	46	11	33
Change foreign reserves	— 70	— 47	— 91

¹ Including statistical differences.

A.L.M.

The national airline A.L.M. will close its books in April with a loss of about f10 million, which is f2,5 million less than expected. The company was unable to pay the semi-annual redemption of f7.5 million on outstanding loans, incurred to purchase two DC-9 Super 80 airplanes. A.L.M. asked the government, which had guaranteed the loans, to pay instead.

The reorganization of 1983 had led to the contemplated results. Wage costs decreased while also the number of personnel was reduced by about 15%. The Miami-route, A.L.M.'s life line, recorded an improvement. The airline still

expects to break-even in the financial year 1986/1987.

Amstel Brewery

The Antillean Brewery, which is owned for 51,6% by the Heineken Group, reported a net profit of f1,2 million for the financial year 1983/1984 compared with f1,1 million during the preceding year. The turnover increased from f27.6 million to f29.7 million despite a drop of 5,4% in volume. The decline in volume continued during the first months of the current year. The rise in operational expenses was less than expected as a result of the high rate of the Antillean Guilder, influencing favourably the purchase of raw materials from Europe. ■

U.S. THINKTANK ON ANTILLES: TROUBLE IN PARADISE

"The current economic and political trends in the Netherlands Antilles threaten to disrupt and damage, perhaps irreparably, the traditional peace and economic well-being of the hitherto fortunate six-island nation group. The almost inevitable dip in economic activity and income looming ahead and the likely impact on the political and social stability of Aruba and Curaçao, are rooted in domestic regional and international issues that are not easy to grasp and quite unmalleable to ameliorate."

Thus states a recently published report drawn up by the Center for Strategic and International Studies in Washington bearing the title: *Trouble in Paradise*. Written by Dr. Ray S. Cline and Dr. Georges Fauriol the report provides the reader with an in-depth analysis of the Antilles' present problems and the possible consequences these may have for the region, the USA and the Netherlands. Because of the important issues raised AR decided to reprint the report in full except for the introduction, which deals mainly with geographical and historical data.

Although the Netherlands Antilles has enjoyed the highest level of economic development in the Caribbean, its present status and outlook for the immediate future are bleak. Devoid of natural resources and unsuitable for large-scale expensive agriculture (because the islands have mainly volcanic rock subsoil), the Netherlands Antilles' economy rests on four decaying pillars: oil refining, tourism, offshore banking, and transshipment facilities. Each pillar is encountering a buffeting likely to persist for some time. This circumstance is at the heart of an almost inevitable emergency that must be managed effectively to avoid its getting out of control.

Refining Industry:

For many years the World War I EXXON Lago oil refinery in Aruba and the larger, more modern Shell refinery in Curaçao have been the most important sources of economic growth for the Netherlands Antilles, accounting for nearly one-third of the total Netherlands Antilles gross national product. Now plant obsolescence, rising labor costs, and an increasing tax burden have added to the normal cost of refining oil. At the same time the decline in the world oil market has dampened demand and led to underutilization of existing refining capacity. These conflicting trends culminated with EXXON's announcement

that it is closing its refinery in Aruba at the end of March 1985. There is a world surplus of refining capacity.

In Curaçao, the Shell oil refinery, operating at 50 percent capacity, has threatened to close unless the government grants sizeable tax and wage-level con-



*Dutch prime-minister Lubbers
visiting CSIS(middle)*

cessions and makes massive capital investment to assume majority ownership of the refinery. The impact of the further decline in refinery activity is both direct and indirect. Unemployment will certainly rise, straining further an already hard-pressed government's ability to meet growing demands for social services and unemployment relief. The loss of revenue will also drastically reduce the viability of

Antilles government functions and services.

Tourism:

Tourism remains fairly strong in Aruba which has better beaches and good promotion in the U.S. market, and is growing in Sint Maarten. It has, however, declined sharply in Curaçao, which has fewer beaches and little development of water-sports facility. Poor development and promotion of the tourism industry as well as the economic recession in neighboring Venezuela as a result of the collapse of oil markets has brought tourism in Curaçao to a very low ebb. The Antilles government has been obliged to buy and operate all but one of the tourist hotels. They are operating at a net loss. The impact has been particularly strong among the large merchant sector in Curaçao that catered to tourists seeking duty-free goods, especially Venezuelans. Curaçao's tourism problems include two other factors: the physical plant of the hotels is aging and the training of hotel staff leaves much to be desired. These two factors spell disadvantage in the highly competitive Caribbean market.

Offshore banking:

Encouraged by attractive tax regime, confidentiality, and political stability, U.S. companies, interested in tapping the Eurobond market without incurring U.S. taxes or withholding, turned to offshore banking in Curaçao, causing it to grow at a rapid pace until very recently. The recent elimination by the U.S. Congress of the withholding tax on foreign-held U.S. bonds removed most of the advantage Curaçao had enjoyed and will substantially reduce the revenues from offshore banking in the Netherlands Antilles. These revenues currently account for nearly 30 percent of Antilles government income. U.S. owned finance industries now legally located in The Netherlands Antilles are moving back to the United States. ▶

New business growth, accordingly, declined drastically in 1984, which was not a good year for other reasons outlined here. As the majority of outstanding bonds mature between now and 1992, the loss of revenue will be a severe blow for the government, compounding its many other problems.

Transshipment:

The port of Curaçao is among the busiest and best equipped in the world. Despite favorable weather conditions and geography, ship traffic has declined (50 percent in 5 years). The blame rests in part on high labor costs and domestic mismanagement now being corrected but much more on the decline of international shipping in the region, especially tankers going to and from the refinery. The state-owned drydock operates at a deficit due to high costs subsidized by the government to protect employment. This subsidy will be difficult to sustain as government revenues from the oil refineries, tourism, and offshore banking decline.

POLITICAL UNCERTAINTIES

The difficulty in addressing pressing economic problems of the Netherlands Antilles is partly due to the preoccupation of political figures, businessmen, and concerned citizens with political problems of separate status and potential independence. These heady subjects raised primarily by one political clique in Aruba have enormously diverted attention from the much more urgent practical financial and administrative issues that need to be addressed. Thus, the Netherlands Antilles faces difficult choices. The basic pillars of the economy are rapidly deteriorating. The impact can already be seen and felt throughout the islands in the form of growing unemployment, reduced wages, business failures, and increased emigration.

These manifestations of concern appear particularly unsettling in Aruba, where the closure of the Logo refinery has caused a real shock wave.

Adding to the economic uncertainties, and also affected by them, are the distracting issues in dispute over the political environment. Since 1954, the Netherlands Antilles — Aruba, Curaçao, Bonaire, and the Windward Islands territory of Sint Maarten, St. Eustatius and Saba — have held dominion status along with Holland in the Kingdom of the Netherlands. This

arrangement grants the islands full control over domestic affairs and a voice in foreign and domestic policy formulated in Holland. The central island government, located in Curaçao, is based on proportional representation and, hence, has long been dominated by Curaçao, the largest island.

Since the 1970s Aruba, resenting Curaçao's political dominance, has sought to withdraw from the Netherlands Antilles while maintaining its membership in the Dutch Kingdom. The remaining five islands have generally preferred the status quo. Holland, however, is seeking to sever all formal links between itself and the Netherlands Antilles and has pressured the Netherlands Antilles ultimately to accept total independence, something the vast majority of the citizens of the area do not want.

Following a series of negotiations in 1982, Aruba was granted what may be regarded as an individual autonomous status, separate from the Netherlands Antilles, but within the Dutch Kingdom. It is called "status aparte" and was extended by the Dutch to Aruba with the specific stipulation that this status, to begin in January 1986, would start a process leading to full independence by 1996.

If Arubans had known the refinery shutdown would occur in 1985 they might have been unwilling to pay for "status aparte" (freeing Aruba from Curaçao's political oversight) by opting for eventual independence, which is not popular. The die is cast, however, and implementation of this arrangement must be worked out in detail with agreements on currencies, customs, taxes, etc. The plan is complicated by the current economic crisis and by the ambiguous and incomplete nature of the original political agreement. The latter identified basic principles and a timetable but contains few details on how to carry it through in day-to-day business terms.

Thus, as the 1986 deadline for implementation approaches, negotiations over specifics remain in a deadlock with each island element's position seemingly intractably opposed to the others. The process designed to articulate the bureaucratic details of "status aparte" has barely scratched the surface of the agenda. In this environment pressing economic problems have been neglected and constructive voices in all sectors are oversha-



Ray S. Cline

dowed by advocates of complacency and politics-as-usual. What the Netherlands Antilles needs is some kind of a patriotic citizens coalition on the coming emergency that can raise the consciousness of the public about the hazards ahead and develop a balanced, equitable priority list of best possible solutions.

The political consensus in Aruba seems to be that the island is not yet ready to be independent because membership in the Dutch Kingdom still offers numerous benefits. It is nonetheless obliged to proceed with its separate status because of the binding agreement made with the Dutch government and the tacit wish of Holland to disassociate from its political and strategic responsibilities for these distant islands and peoples.

Probably the most important individual actor in this process is Betico Croes, the dominant Aruban political leader. He serves as an "advisor" to the Aruban government and has no formal executive authority but is in fact the real power behind the throne. A former school teacher, his ideology is indistinct, although he is nominally a Social Democrat. A leader of the "status aparte" movement, he has an extremely loyal following among the middle and lower classes, primarily in Aruba. Croes has combined political patronage with some use of strong-arm tactics in local island politics. There is deepening concern among economic circles in Aruba and even more in Curaçao concerning his autocratic policies and alleged nepotism in government staffing. ▶

Whereas Aruba's overt priorities are of a political nature, Curaçao is more concerned with economic problems. Curaçao does not seek independence in any form, seeing nothing to be gained from it and hoping for continued financial contributions to island infrastructural services from the Dutch Government, especially during the time of economic stresses immediately facing the Netherlands Antilles. It would rather have the Netherlands Antilles remain a six-island entity but has consented to Aruba's secession as a means to get the political crisis over with and turn to pressing economic concerns.

The key direct institutional actor in this drama is the government in The Hague. The Dutch view the Netherlands Antilles as a somewhat embarrassing legacy of the Dutch colonial era. For this and other reasons, notably the economic and political costs involved in its relationship with the Netherlands Antilles, Holland has sought to grant the Netherlands Antilles full independence, regardless of the islanders' view on the issue. With the somewhat confused exception of Aruba, the consensus in the Netherlands Antilles is overwhelmingly against independence. Primarily the islanders feel that full independence would involve many more costs than benefits. Moreover, they feel that Holland's effort to force the independence issue is negligent of island interests and potentially destructive of regional stability. Suriname, the Marxist-Leninist oriented dictatorship recently made independent rather hastily, is often cited as an example of the failure of this Dutch policy.

The current Dutch commitment to aid the Netherlands Antilles is mostly economic. The Dutch have expressed no military or strategic interest in maintaining links with the Netherlands Antilles. Indeed, it is uncertain whether they would honor their treaty commitment to intervene militarily in the Netherlands Antilles in the event of political instability. The Dutch could increase the types of economic assistance and in particular ought to give much more guidance on island political matters to help form a consensus on these technical problems that cry out for quick solutions. The authority of the Dutch in the Antilles is still substantial if they are willing to use it in constructive ways.

Several other nations including the Un-

ited States, Venezuela, and in a more distant vein, Cuba and the Soviet Union, play direct or indirect roles in the Caribbean region and have some political and strategic interest in the outcome of events in the Netherlands Antilles. The United States has not yet directly turned its attention to developments in the Netherlands Antilles. Nevertheless it has strongly,

although perhaps unknowingly, influenced events. Through the Caribbean Basin Initiative (CBI), which is not directed specifically at the Netherlands Antilles, the United States has attempted to bring to bear some ameliorating influences on the underlying economic causes of potential instability and social unrest throughout the Caribbean. The CBI is

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aimed at promoting, strengthening, and facilitating trade and investment between the Caribbean nations and the United States, mainly by giving them tariff-free access to the U.S. market.

Despite the program's noble intentions, the CBI's emphasis on export production and labor intensive investments makes it essentially irrelevant to the economics of the Netherlands Antilles. The islands have no raw materials to export, and they have allowed labor costs to get much higher than in most other Caribbean islands.

Indeed, instead of promoting investment in the Netherlands Antilles, U.S. economic policies are discouraging it by encouraging the flow of capital to areas with low labor costs and particularly by making recent changes in Treasury policies to reduce benefits from investment in offshore banking. Thus U.S. regional policy objectives are not reflected in the actual impact of policy on the Netherlands Antilles.

Venezuela has overtly demonstrated its traditional interest in the Netherlands Antilles, especially nearby Aruba and Curaçao. Historical, geographical, and strategic links with these islands located just off the coast of Venezuela suggest that Venezuelans consider them to be in Venezuela's sphere of influence. Although Venezuela has no overt territorial ambitions to take political control of Aruba and Curaçao, in the event of a political crisis in the latter or the emergence of a radical or hostile regime in Aruba or Curaçao, Venezuela would certainly feel its interests threatened. Conversely, Curaçao's and particularly Aruba's relations with Venezuela are close and the strongest they have with any nation other than Holland. In the event of prolonged political instability or widespread violence in the Netherlands Antilles, Caracas would be more likely than The Hague to respond with military force to rescue the situation. In recent years an increasingly welcome reception to the Venezuelan influence has spread among the islanders.

DEALING WITH THE EMERGENCY

Although the general decline in economic activity, wages, and standard of living is inevitable in the short run, there is every reason to believe that stabilization and renewed growth is possible over a

longer period of time. For example, a modified status quo situation in which there is a slow continuation of the current downward trend would allow the government and private sectors ample time to institute measures first to arrest and then to reverse this trend. A planned, controlled, incremental economic and political adjustment could be initiated if unity of view on priorities could be achieved. There is also the possibility that as the economy begins to decline more sharply, the political leadership will turn more to the private sector in the interests of efficiency as opposed to more state ownership and inefficient socialist development models that have been followed. It is also possible that a sudden economic jolt could lay the groundwork for a healthy political accommodation among the various influential groups in the islands, such as government bureaucracy, businessmen, labor unions, and financial institutions, etc.

There appear to be several ways in which economic stabilization and improvement might occur. These would include:

- A. In the immediate time frame a major contribution to the emergency would be realization on the part of the Dutch that they should assume a greater responsibility toward maintaining social and political stability in their former colony. There is still room for lobbying on behalf of the Netherlands Antilles in The Hague. A Dutch initiative to provide special emergency economic aid over a period of a few years, while not a panacea, would give a positive psychological boost. Private sector, long-term Dutch investment could be encouraged by offering an attractive financial incentive. At present such measures seem unpassable in the Dutch legislature for political reasons in The Hague, but arguments may become more persuasive as the emergency becomes graver and more visible.
- B. Any successful solution to the pending economic crunch is intrinsically dependent upon the Netherlands Antilles political situation. Uncertainty undermines investment and willingness to tighten belts economically to build for the future. An immediate and concerted effort to resolve the political issues concerning Aruba in simple ways with minimum financial outlays must be put into motion promptly. Here the initiative remains with the Dutch and should be taken up vigorously in 1985. The faster the political question is resolved, the sooner all concerned parties can turn their full attention to remedies for the economic situation.
- C. In the long run, other interested parties, including Venezuela and the United States, both of whom have economic and strategic interests in the future welfare of the Netherlands Antilles, might be persuaded to cooperate with Holland in a joint socioeconomic development program. The advantage of such a project for the islands would be increased funding as well as diversification of the external investment sector. A modest revolving fund for economic stabilization of the Dutch Caribbean would make sense as a parallel program alongside the purely U.S. CBI.
- D. Economic aid from Venezuela would be extremely important in any rescue effort. Venezuela's traditional cultural and economic influence in the Netherlands Antilles has continued to grow because of geographic proximity and the ideal climatic conditions of the islands. Venezuelan private investment, particularly in the tourist industry, could conceivably grow again in the near future. If it did, the refurbishment of hotels could be accompanied by importing good training programs for hotel management staffs. The attraction of the well regulated casino gambling and duty-free port privileges would be enough to win back some of the tourist clientele of costs can be held down and service improved.
- E. In the context of a joint effort to stabilize the islands, the United States might consider modifying or revising its CBI program in order to make it more relevant to the needs of Caribbean islands that have a nonexport economy. Service industries could be given some special breaks in U.S. tax laws or the newer regulations could be modified marginally in ways that would lessen their impact in the offshore banking industry. All of these measures are too technical to explore hypothetically but are not out of the question if a concerted planning attack on the problem were

mounted with U.S. cooperation.

- F. The Netherlands Antilles themselves have a long history of economic growth based upon creativity and imagination. In this context several economic initiatives, programs, and reforms could be instituted exclusively on the local level. These might include:
1. Establishment of a regional trade center on the Swiss model within the Caribbean.
 2. Finding new tax benefits to be extended to encourage foreign investment and reduce unemployment.
 3. Expansion of existing tax-free zones and commercial banking benefits emulating the so-called "Hong Kong solution".
 4. Development of local banks to make credit grants to small and medium-sized corporations.
 5. Construction of small industrial plants with the aid and expertise of other Third World capitalist countries like Taiwan or South Korea.
 6. Reform the public sector and modernize refinery, drydocks, transshipment and tourist facilities to make these existing industries more marketable and competitive.

In general, Curaçao should mount campaigns to attract new sources of income and to create job-intensive business with positions at less than top levels of present pay scales. These efforts should be combined with the expansion and reinforcement of existing industries to arrest further economic decline. The Shell refinery issue must be negotiated with a view to lowering costs, increasing throughput, and building modern petrochemical technology that will provide some niche of comparative advantage for Curaçao. Certainly Curaçao's harbors

and ship handling facilities are a tremendous asset and should be vigorously exploited in an integrated plan with unified control and introduction of cost-efficient procedures. Managerial skill levels in the tourist industry must be raised to turn this great natural asset into a money-maker.

CONCLUSIONS

Current trends in the Netherlands Antilles are clearly inauspicious. Accustomed to a relatively high level of economic development and political and social stability and sophistication, the islands are suffering from a range of self-reinforcing problems rooted in domestic and international developments. Though the ills afflicting the Netherlands Antilles are complex — as are the effects — the foreseeable outcome, barring any significant changes in policies by major actors or in world economic trends, is only too predictable.

The first key political factor relates to the islanders' attitudes towards independence and the Dutch attitude towards the islands. The islanders have made it clear they do not want full independence. The Netherlands has in policy demonstrated a curious disregard for the islanders' views on this matter. This basic conflict of perceptions must be resolved or at least ameliorated if current trends are to be reversed. A second key factor is the economy. The Netherlands Antilles is beginning to experience a series of economic blows that threaten its very viability. Relief of some form is clearly needed.

The emergency in the Netherlands Antilles has arrived; some economic decline is inevitable. The only element of uncertainty is when and in what manner it will take place and whether it can be managed in a stable, orderly way. Only time will tell to what extent the major actors

involved will be able or willing to make present sacrifices for future benefits in an equitable program politically viable in what after all is a representative system of government. The high literacy level (95 percent) of the population suggests that the citizens will understand the issues if friendly outside observers, government leaders, and local opinion-makers communicate with them honestly.

Mismanaging the emergency so that a serious economic downturn persists in the Netherlands Antilles would be bound to have dangerous social, political, and strategic repercussions throughout the Caribbean Basin. Cuban-oriented political solutions are bound to be suggested by some groups in the Caribbean although moves in this direction would be self-defeating and ultimately disastrous. Neither Aruba nor Curaçao can be permitted to become another Grenada.

A political accommodation creating a concensus among the main elements of the community would permit formation of an action-oriented citizens coalition to press for a joint emergency effort by all political and social factions. Together the islanders can successfully work to retain the blessings of representative government, multicultural social harmony, and comparative economic well-being. Heightened community cooperation on the basis of genuine understanding of the grave issues and preferred solutions is indispensable to saving the Netherlands Antilles from disorders and economic stagnation. This sorry outcome would damage the whole Caribbean and the Dutch, Venezuelan, and U.S. strategic interest in these important islands at the central crossroads of the Western Hemisphere. Trouble cannot be banished from paradise, but it ought to be contained and overcome. ■

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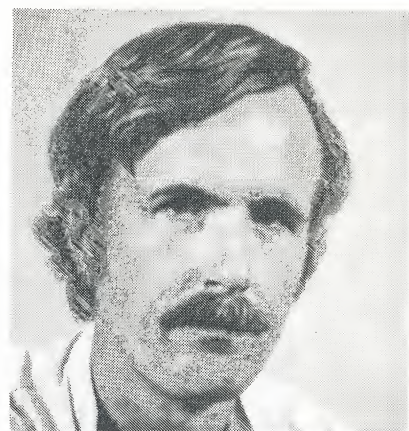


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THE ANTILLES AND INDEPENDENCE

by J.M.Reijntjes



Was there ever a time that the inhabitants of the Netherlands Antilles were independent from others? We do not know how the situation was in the time of those who lived here originally and how their relation was with the "opposite shore" (the South American continent). But after that in the Spanish period and the era of the West Indian Company we know that there was definitely no question of independence. Yet it can safely be assumed that in practice a high degree of autonomy existed due to the great distance between the islands and the countries where the people formally in power had their residence. With regard to the subsequent period, however, it can be concluded that the larger the population and the more "European" its life-style, the greater its economic dependence. The Antilles, traditionally a military stronghold and not a producing country like most of the British West Indies, turned out to be an expensive possession for the Dutch. This is still the case. In this article we will deal mainly with the juridical dependence of the Antilles.

tors bear more weight. Affected by the ominous threat of the departure of the oil industry and the decrease of off-shore banking, many have lost what little confidence they might have had in the possibility of the Antilles ever being able to fend for itself without falling into dire poverty. And then what? Even more than they fear communism, they are afraid of the mighty next-door neighbour. Many prefer a formal dependence on far away and benevolent Holland to an actual submission to nearby Venezuela.

Dependence?

What does this juridical dependence really entail? Does it exist only in name, in the minds of jurists or has it any real significance? The Statuut talks about a legal order in which the Netherlands and the Antilles in an autonomous way take care of their own interests and on the basis of equality look after common interests and assist each other reciprocally. This equality, however, is one of 13 million as against 250,000. The Statuut introduces the concept of Kingdom affairs, under which fall defence, foreign relations and admittance to the respective countries. The Kingdom affairs are regulated by the Kingdom Government, consisting of all the Dutch Ministers (14 at the moment) and one Antillean Minister (plenipotentiary). If the Antillean Minister declares that his country does not wish to be bound by a certain resolution adopted by the majority of the Kingdom government, and if that majority persists, the matter on hand will be decided on in a "petit comité", in which the Dutch supremacy is diminished, but not eliminated. That committee consists of the Dutch prime minister, two Dutch and two Antillean Ministers. Thus when matters come to a head, the thirteen million will always come out on top. It would be foolish to expect other-

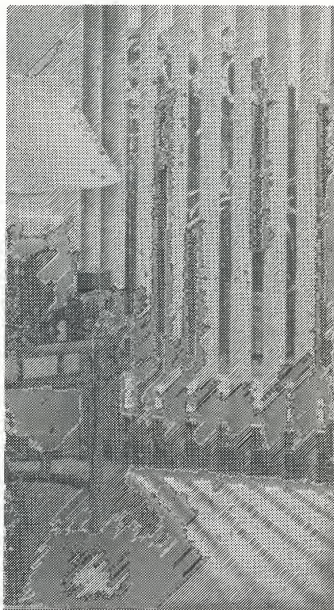
After World War II the formal relations between the Antilles and the outside world changed. This resulted, after an Interim Regulation, in 1954 in the Charter (Statuut) for the Kingdom of the Netherlands. A Kingdom that in this broader sense never became more than a fiction. Initially intended to unite the Netherlands, Indonesia (at the time including Netherlands New Guinea), Suriname and the Antilles, it remained an empty shell as a consequence of the secession of Indonesia, the only partner that could have offered a counter-balance to the European component. Paper tiger may be a better name, and it is with this tiger that the Antilles have had to co-habit and are still co-habiting. Presently the tiger is suffering from a belly-ache. As far back as can be remembered Aruba has been in conflict with Curaçao and has finally attained its objective of being permitted to leave the Antillean constellation. For the time being it will remain within the Kingdom as an autonomous partner. But the Dutch now seem to have had enough of the tiger. As the price it has to pay for its separation from Curaçao, Aruba has been compelled by the Netherlands to accept full independence in 1996. And as if that is not enough, the Netherlands are now also

threatening Curaçao with permanent divorce. The "Kingdom concept" seems to be at the end of its days. A "colony" that is being forced into independence! This definitely in no way resembles the picture envisaged by the tireless decolonizers of the United Nations.

The cry for independence

The leader of the present government, Maria Liberia-Peters, once told me when she was not yet prime minister: "In my party (the second largest in Curaçao) nobody wants independence". Many of her political opponents at the moment seem to share her party members' view on this issue. To begin with there is hardly any national feeling, only insular solidarity. There is for that matter no autochtone population. Everyone either originally comes from somewhere else himself or has ancestors who came to the Antilles from a foreign country (many of them involuntarily as slaves). Few, moreover, came from the same region. There are indeed few countries in the world where the population is as heterogeneous as in the Antilles, with its more than one hundred nationalities. As a consequence it should not come as a surprise that economic fac-

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wise. This has nothing to do with (neo) colonial relations. In e.g. the E.E.C. it is not otherwise, with one small difference, however, that in that organisation it is the Netherlands that is one of the small countries.

Reality

But the point raised above is of course a formal one and in fact not important at all. The point has never yet been reached where the "petit comité" had to hold a meeting. The Statuut in fact is nothing more than a historical document, indicative of a certain phase in the development of the relations between the Netherlands and the Antilles. The letter of the Statuut tells a lot about the relations in 1954 and very little about those of to-day.

The Statuut has marked the development, but has not stipulated it. This is illustrated by the so-called concordance provision (art. 39) to the effect that large portions of the law in the Netherlands and the Antilles are to be regulated in accordance with each other and that "far-reaching amendments" of the legislation will not take place without consulting the Kingdom partner. Looking at the Antillean constitution it becomes evident what was actually intended: Antillean law would have to be as much as possible in accordance with Dutch law (art. 98). No reciprocity, but unilateral adaptation, was the ideal in 1954. But both parties have snapped their fingers at this regulation. Antillean legislation deviates strongly from (current) Dutch law on important issues and Holland has made many amendments without ever having consulted the Antillean partner. I will go so far as to state that this is characteristic of present relations.

Both parties take care of their respective interests on their own in accordance with the Statuut. But they also regulate by themselves part of what the Statuut delineates as "mutual", e.g. admittance to the countries. With regard to other Kingdom affairs the Antilles tacitly accepts being regulated by the Netherlands, e.g. defence and foreign relations, as long as it considers it to be convenient. Let us for example have a look at the matter of treaty relations with foreign countries. Usually treaties are effected after negotiations carried on by Dutch officials on the basis of Dutch law. Subsequently the Antilles examines the result on its acceptability. Because, as stated before, Dutch and Antillean laws sometimes are quite divergent

from each other, this at occasions leads to unfortunate results, as became evident in the case of the new legal assistance treaty with the U.S.A., which — as the Antilles discovered afterwards — cannot be complied with without quite extensive statutory amendments. Yet ultimately the final outcome is up to the Antilles and if small accidents do occur, this is due to their own inattentiveness.

A last example of the relation as it is to-day. The Statuut reserves to the King (in practice the Kingdom government) the right to make certain important appointments. But is this adhered to? As early as 1955 it became evident that one should not expect too much from this stipulation. A newspaper attacked government policy in a sharper way than was acceptable to the Minister of Justice. The latter ordered the Attorney-General to expel the chief editor, an exponent of the main opposition party and a Dutchman, from the country. The Attorney-General justifiably refused to do so, as there were no juridical grounds for the expulsion. The Minister subsequently put pressure on the Kingdom government to dismiss the attorney-general and got his way.

The situation can be summarized as follows. For a short time the Netherlands was in a position that it could dictate its will to the Antilles. After that the Antilles, during a period of about thirty years, went through a development towards a growing autonomy, which resulted in the present situation, in which it is practically boss in its own house. As long as the Antilles thinks it convenient it will allow the Netherlands to take care of certain matters, but not a moment longer. The Netherlands on the other hand still has a number of formal powers, which are hardly ever used, however, and which in

fact are reserved for the event that the need should arise. To me this appears to be a correct situation, but we have to bear in mind that the economic relation has not been taken into account.

The future

The divorce decreed between Curaçao and Aruba can only be executed by amendment of the Statuut. This amendment can only be effected with the approval of the Kingdom partner. It is to be hoped that the latter will continue the policy adhered to up to now, and will accept wherever possible (and in my mind a lot is possible) the agreements reached and still to be reached by the islands with regard to their mutual relations in the future. I already remarked that many Dutchmen are tired of the tiger. They feel that they are co-responsible for the Kingdom partner in the Caribbean and rightly so, and they are finding this responsibility more and more hard to live with. They fear that the relation with the Antilles might have detrimental consequences and they have had more than enough of being used as a scapegoat for whatever goes wrong in the West. Nevertheless it seems that the standpoint currently taken by the Antilles is the only correct one. That from a moral point of view the divorce between the Antilles and the Netherlands (using once more the same imagery) can only take place with mutual consent, unless it can no longer be reasonably expected of either of the partners that they will continue living together. After all they embarked upon matrimony on a voluntary basis. The Antilles, including Aruba, still do not consider the moment ripe for divorce. Holland will have to abide by that. At least for the time being. ■



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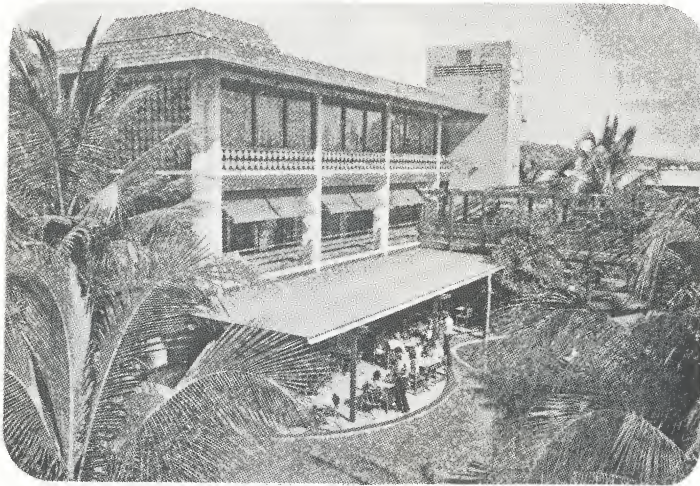
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Decolonization policies failed

WILL THE DUTCH FACE UP TO THEIR RESPONSIBILITY?

by P.C. Verton

The Netherlands Antilles is falling apart. An observation which today is true in a constitutional sense, but will soon also be correct socio-economically. The Dutch government and parliament are firmly set on a course toward full independence for the Kingdom partner. That after all is the final station of the 350 year journey The Netherlands has travelled with these islands. Therefore The Hague has chosen the role of spectator proffering advice from afar, now that the multinationals are closing down their refining operations, thereby disrupting the island societies. Did not the islands become autonomous 35 years ago and have they not been in charge of their own internal affairs since?

The thinking behind this attitude is both formalistic and one-sided. Formalistic because paper won't blush. Autonomy in theory does not necessarily lead to the real thing. One-sided because promoting a process toward independence is not without its consequences for the socio-economic development. On the contrary, development and decolonisation are two deeply interwoven processes. The effects of the first determine the outcome of the latter and vice versa. Regarding only one aspect yields a distorted picture.

With reference to Curaçao, Aruba and the other islands Dutch thinking appears to be more and more influenced by the past rather than the future. The crime and punishment trauma solely intent on wiping clean the colonial blackboard is apparently so predominant that the traditional inclination to fuse the calvinistic ethic with the merchant's insight has today become totally suppressed.

In the following the inter-relationship between decolonization and economic development will be discussed with a view to Holland's involvement in both processes now and in the past. Next the (advantageous) implications of looking at the situation from a perspective of the future rather than of the past will be sug-

gested. In a final paragraph a few related questions with regard to decision-making will be raised.

The issue of responsibility

The Netherlands Antilles has to take care of its own affairs, it is responsible for its own development. The question is whether this statement is justified today. A brief historical summary, from which implications for the present can be drawn, may supply an answer.

When the Netherlands shortly after World War II realized that the pre-war conditions would not return, the sails were trimmed to the wind. The colonies were granted the perspective of a step by step development toward constitutional independence. In 1954 the Netherlands Antilles and Suriname acquired autonomy with regard to internal affairs with the signing of the so-called Statuut. Antillean administrators took over from the Dutch Governor.

Administration

These administrators, it was envisaged, would be selected by means of free and general elections and govern along the lines of the democratic parliamentary system. The Hague wished the new nation on its way to maturity to share in its most valuable national asset: the system in which those governed control those who rule. But would what had come to fruition in the cold climate of Europe flourish in the West? Hardly, it soon appeared. If the chances of recruiting capable administrators from the supply of politicians seemed fair in Europe, they appeared to be decidedly less so in the Antilles and Suriname. Political patronage soon was rampant. In 35 years a situation developed in which the government became by far the largest employer, while at the same time failing to supply the islands with the proper level of administration to manage the process of socio-economic development.

Unity

The legal experts in The Hague who in 1954 drew up the constitutional structure

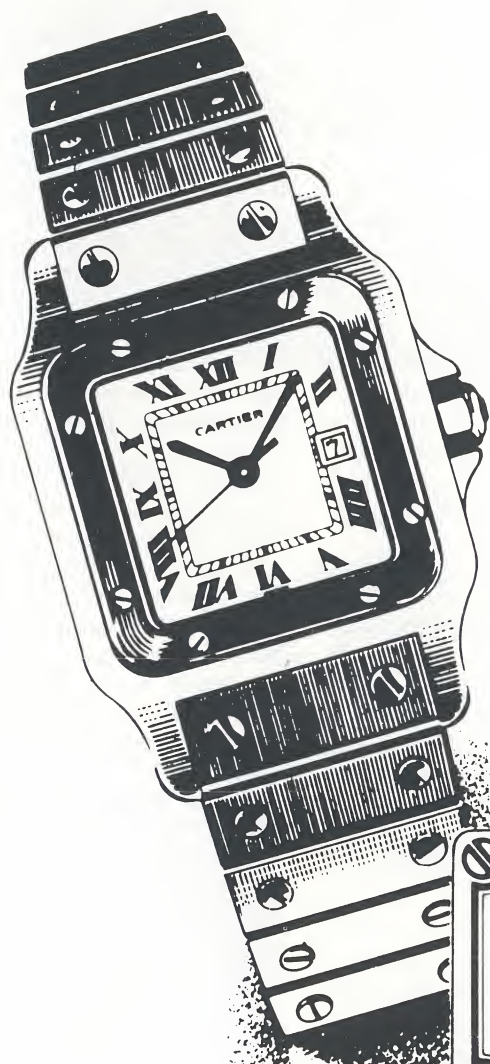
were guided by the concept of one Antillean nation on the road to independence. They felt that within the proposed structure Curaçao's centralism and Aruba's striving for decentralization could be kept in balance. Reality proved to be very different. The structure married to Antillean politics led in the long term towards desintegration of the Netherlands Antilles. A fact which was finally confirmed at the 1983 Round Table Conference in The Hague.

In her famous radio-talk in 1942 Queen Wilhelmina spoke of a step by step development towards independence. During the seventies the aspect of gradualness was no longer mentioned. The Hague's approach to the issue changed drastically after the riots of May 31, 1969, when Dutch marines had to restore order in Willemstad, while TV camera's recorded the proceedings for the viewers back home. From then on parliamentary delegations were flown over at regular intervals to deliver different versions of the same message: the Netherlands Antilles should in the foreseeable future acquire total independence.

Thus the decolonization process first of all saddled the country with an inadequate system of government and secondly caused an irreparable breach between the islands. A third effect, just as damaging to the islands' socio-economic development as the other two, is the disruption of the country's stability. The political and economic status quo based on Holland's being responsible for the country's external defence, the Dutch legal order and the recognition of this reassuring situation both by Venezuela and the USA, seems to be in danger of being eroded. All the talk about soon to be effected constitutional changes keeps potential investors for obvious reasons at bay. The open economy of the Netherlands Antilles, on the other hand, is of necessity dependent on foreign investments. The process of decolonization, it may be concluded, disrupts the socio-economic development of the Antilles. It is also clear that Holland, of course with the best of intentions, contributed in no small measure to this development.

Oil-aid-offshore

Oil, development-aid and offshore activities determined the socio-economic development of the Netherlands Antilles during this century. After the arrival of SHELL (1917) and EXXON (1928) the once distressed colony was able to stand ▶



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economically on its own feet and even contribute to the mother country. The island societies underwent irreversible changes. Curaçao's population increased from 30,000 in 1900 to 160,000 today and likewise Aruba's grew from 9,000 to 60,000 in the same period. The wage level became after Puerto Rico the highest in the Caribbean. The general standard of living is correspondingly high. The open economy did not only bring in foreign exchange, but also imported inflated consumption demands.

Dutch development aid began to flow to the Antilles in the sixties after the refineries started on a process of automatization in 1955, made necessary by a decline in the industry. This aid has now reached the amount of 1.3 billion. Development projects at least partly made up for the loss of jobs and economic activity in the past twenty years. The philosophy behind the rather generous supply of funds was that enlargement and diversification of the economy would lead to greater independence. Education and work would lift the lower classes to a higher level. But these hopes never materialized. Well-intended aid does not by itself initiate development.

When in the seventies the threat of considerable deficits loomed, a new source of income, the off-shore sector, brought temporary relief. But since The Hague eliminated a number of loopholes in the tax(reparation) law and the USA withholding tax repeal of June 1984 this source has slowly begun to dry up.

Undiminished dependence

On the 31st of March of this year EXXON closed down its Lago-refinery on Aruba. SHELL has demanded agreement to a number of conditions which will be very difficult to meet. Thus the eighties reveal the undeniable and unescapable truth that the Antilles' dependence on outside forces and decisions is still undiminished. The emancipation of the lower classes has been halted and will fall back as employment will continue to decrease.

The Dutch and Antillean policies with regard to socio-economic development have not yielded the desired result of a lessening of the Antilles' vulnerability. On the contrary the country has become more dependent than ever. Those island com-

munities, which for more than 300 years managed to stand on their own feet, Saba, St. Eustatius and Bonaire, now find themselves in a position where 50 to 60% of the labour force is employed by the government. The unintended effect of Dutch assistance policies and Antillean development policies is that greater economic and political independence has turned out to be wishful thinking. The socio-economic situation is thus stalling the process of decolonization. Holland's role in this should be obvious.

We are back from where we started. Decolonization frustrates development and vice versa. Who is responsible? The one who invented the rules or the one who is losing the game? Both Holland and the Antilles are fully responsible for the present situation.

Advantages

The question might be raised whether Holland considers the creation of the Netherlands Antilles as a dark page in its history. Probably not. But The Hague's policies do indicate the presence of a colonial hang-over. The inclination to keep looking back and the one-sided fixation on constitutional changes which might make up for the injustice of the past, point in that direction. But it should be observed that such an attitude serves no purpose, nor does it do Holland itself or the Antilles any good. Which leads to the question, what do the Antilleans themselves want?

It should first of all be noted that there exists a distinct difference between the Caribbean (ex)colonies and those of Africa and Asia. The Caribbean societies were created by colonialism. In contrast to Africa and Asia one finds no indigeneous peoples and hears as a result no indigeneous claims to the land. The Antillean islands were populated by immigrants in the 17th and 20th century. No-one is reclaiming these islands. In fact the people did not ask for autonomy in the fifties, nor do they clamour for independence today. What they do demand is recognition of their right to be involved in all decisions which concern their country.

The Arubans want separation from Curaçao. Reviewing the 35 year old history of autonomy, this is quite understandable. But none of the islands is demanding constitutional independence. Stronger still, all indications point at a general desire to stay within the Kingdom. A poll taken in 1982 in Aruba shows that at that time 50% of the Arubans opted

for status aparte (from Curaçao), while 70% wished anyhow to keep the Dutch nationality. Keeping this in mind, how should one view the future?

The geographical position of the Netherlands Antilles is still as advantageous as ever. The natural excellence of its harbours is today enhanced with all the required modern equipment. There are no hindrances to air-traffic. Telecommunications are quite on par and the standard level of education is relatively high. With a view to the expected economic take-off of a number of South American countries within the next 10-20 years, these basic facts should make the Antilles a most attractive partner in the future. The Dutch would do well to look ahead rather than over their shoulder!

The basic question arising from all this is whether The Hague is willing to shoulder its responsibility for the present Antillean situation. Are the Dutch willing to admit that their decolonization policies — be it by and large unhindered by Antillean interventions — have made a proper socio-economic development up till today impossible in the Antilles. Do the Dutch realize that hardly anyone on the six islands has any desire for independence? Are they aware that the Antilles might be a most profitable trading base in the long run?

The one and only choice is obvious. Constitutional independence and socio-economic development preclude each other. It is either decolonization or development. By far most Antilleans prefer the latter. ■

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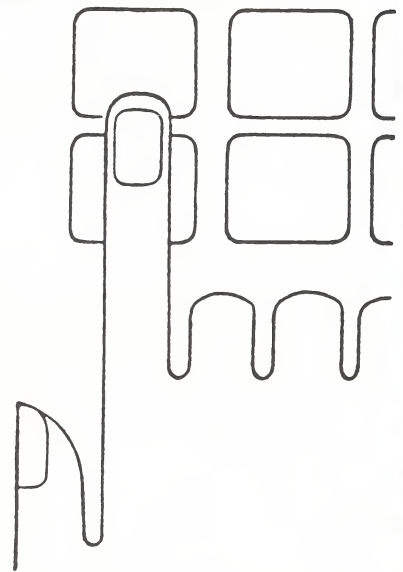
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GANEKO

A SPARK IN A DIMMED ECONOMY

by Nancy Siegenthaler

When OSRAM, the German light-bulb manufacturer called Rolf Neher in Curaçao early in the year, they had an interesting question for him.

"Mr. Neher", they asked, "Do you eat them?"

OSRAM was referring to its mini-flourescent bulbs, which Neher sells through his GANEKO, Inc. lighting store in Zeelandia. More of the OSRAM bulbs were sold per capita in Curaçao last year, than the Germans sold in the entire European Economic Community.

GANEKO has, in its fifteen months of existence, supplied the complete lighting needs of the Avila, Holiday and Princess Beach Hotels, Banco Caribe, and the new Radio Curom (Z86) and Muskus buildings, Wilhelmina tehuis, a Bonaire church, and about a hundred private homes in Curaçao. The company is waiting to hear about its bids on the International Trade Center and the Ennia office building in Curaçao, as well as several other future projects on the islands. Internationally, GANEKO will soon complete a custom-made, indoor-outdoor lighting design for a German firm, and its custom-made lights will be introduced shortly in the Bahamas.

The small company also has its eyes on the US lighting market, but according to Neher, GANEKO's first step is to build a reputation in the Caribbean basin, where electricity costs are high.

Initiative

GANEKO was founded by retailer Hector Galmeyer, architect Mike Kock, and Neher, who worked in management at Spritzer and Fuhrmann for nine years before helping to form the lighting company that carries part of its creators' names. Besides its founders, the main ingredient for the young company's success is the German-made, OSRAM mini-flourescent bulbs they use. The mini-flourescents (which were invented by Philips) are real energy savers. One slim, three-inch-long tube gives the same amount of light as an incandescent bulb,



OSRAM's unique bulb

but requires only a quarter of the energy. An 11-watt OSRAM, for example, gives the same brightness of a 75-watt incandescent, yet uses 80% less energy. The flourescent bulb's lifetime is longer, too. GANEKO's Neher said the OSRAM bulbs his company has installed so far in

Curaçao have cut lighting costs by 50% in offices, and by 80% in homes.

"We believe that the incandescent bulb belongs to the past", he said.

GANEKO isn't the only company in Curaçao that sells the low-wattage mini-flourescent, but it is the only one that has

taken the ball and run with it, in terms of their enclosures.

Philosophy

The company's mainspring was the absence of a dependable supplier of the necessary ballasts—the devise that holds the bulb and switches it on and off. Another motive was that, according to Neher, there were hardly any fixtures being manufactured for the bulbs either in the Caribbean or in Europe.

"We started very humbly", said Neher. "We went through the Curaçao hotels where we counted the amount of downlights with regular incandescent bulbs and decided to go mainly in downlights. We found a reflector company making reflectors out of pure aluminum and coating them with procelain dust to protect them against the climate. We found frames for them and had all these parts sent to Curaçao, where we started assembling these components".

The company currently converts about 25 household lamps a week to accomo-

date the OSRAM bulbs, and it recently hired two additional technicians to assemble its custom- designed lamps.

"We are fully backlogged for the next four weeks", said Neher. "Many people started before in lighting in Curaçao and didn't last more than three or four months. But we did lots of research—and I'm confident now. We have a European philosophy", he said. "We believe in our products".

Mentality

Neher's faith may have to be mustered in the coming years, however. Its competition consists of giants like Philips, Antem, and installers such as CTC. Individuals' buying power within the Netherlands Antilles is sure to decline, as workers get caught in a wage- price squeeze. Nevertheless, the company has succeeded without having received any financial assistance from the island or Central governments, and its careful growth has been fostered by a "small is beautiful" mentality. GANEKO em-

ploys eight people, has no shareholders, limited capital, and its founders do not draw salaries. Most of its assets are tied up in inventory, and large jobs that are bid on often take up to a year to materialize.

But GANEKO's Rolf Neher said the company has earned the deference of the buying public.

"In the beginning, we had to gain the confidence of the people", he said. "We made ourselves a name. Now we're going more public".

GANEKO, as with many other businesses in Curaçao, said Neher, will prosper as long as serious investments in tourism are not squelched, and as long as local bank credit does not dry up.

"Investors", said Neher, "have to be in step with the government's plans. That's the best planning for the country".

In the meantime, Neher is planning GANEKO's expanded headquarters. In less than a year, the company outgrew its present site. ■



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Diversification's Dynamic Duo

by Nancy Siegenthaler

Diversification of the economy is often batted about in political circles and overstated in the press as the solution to the slumping, Antillean economy. In the meantime, two, small, government offices quietly carry out the task, and they are meeting with no small success.

They are the Industrial Acquisitions, and the Export Promotion divisions of the Central Government. In the first three months of the new year, Industrial Acquisitions hosted six foreign manufacturing executives in Aruba, Bonaire, Curaçao and St. Maarten, and lined up more than ten industrialists in Europe and the United States who are seriously considering the islands as export bases. It is currently wrapping up the establishments of two manufacture-for-export businesses in Curaçao.

Promotion

Export Promotion's three-person staff began coaching local manufacturers to export in 1980, and is responsible for the rise in the number of exporting Antillean companies, from seven — when they began to 35 at present.

Governments are not generally known for expediting business, but in this case, both divisions were born and influenced by the Irish Export Board (IEB), which finished in March, a five-year contract to take from infancy to independence.

Under IEB's management, both divisions set out to determine which commodities can be profitably produced and exported from the Antilles. They subsequently became experts on the production requirements, packaging, shipping and distribution needs of specific products, and followed up their research with personal visits to manufacturers of those products to explain why exporting from, and investing in the Netherlands Antilles would be advantageous.

While Industrial Acquisitions concentrates on foreign companies that have annual sales of more than US\$10 million, Export Promotion's staff concentrates on the small manufacturer. Nevertheless, the earnings the Export Promotion staff has pulled into the country, is nothing to chaff at.

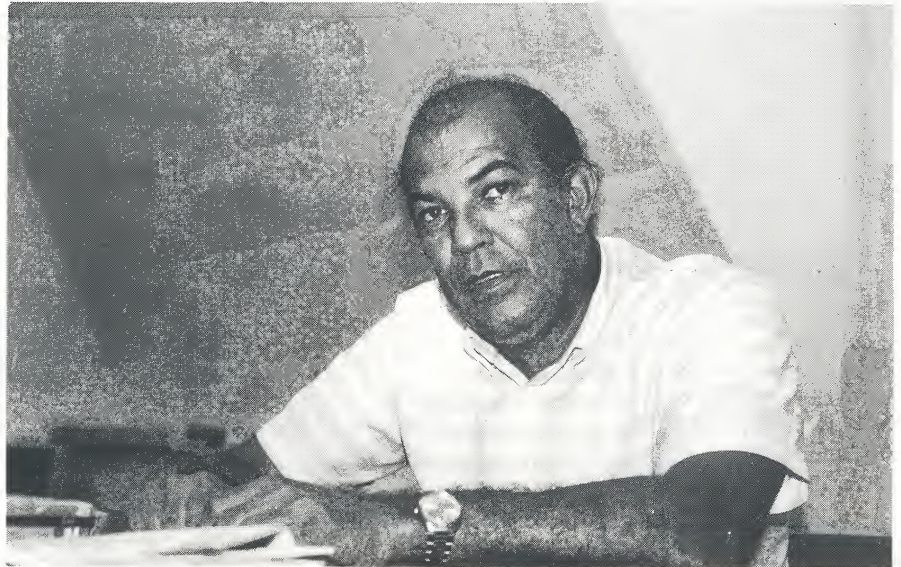
"They have built the exporting base of the Netherlands Antilles by over 60%," said IEB consultant Matt Moran. "The exports of their clients amount to about NAf.18 million," he said. "It's still a very small base, but of that, about 50% was achieved with some form of assistance from the Export Promotion Division."

"And according to a survey carried out by the exporters," he said, "exporters themselves reckon that about 25% of the total value of exports would not have

loss of the Aruban market after that island's status aparte next year, and a decline in demand at home. As a result, exporters in Bonaire and Curaçao have been compelled to develop their eastern markets more vigorously, said Melvin Capella, Export Promotion Officer.

"The possibilities have changed for the local manufacturer," he said. "They think they have to go out because they know that after three or four years, the buying power is going to go down here. They really will have to rely on the exports."

The United States is the most frequently-targeted market, said Capella. Although two Antillean companies sell their products in US markets, that country is often too competitive for Antillean produced goods. Capella said the most de-



Melvin Capella

occurred if it were not for the Export Promotion Division. That means that every year, based on the current level of activities, the Export Promotion Division is generating NAf.4 1/2 million worth of exports for the Netherlands Antilles."

Competition

The accomplishments of neither division came easy. Antillean-based exporters, for example, have had to face import barriers in South American markets, foreign exchange problems in Surinam, Guyana and Jamaica, mountains of registration paperwork in the United States, product-approval delays in Europe, and a breakdown of trade agreements among Caricom countries. In addition, exporters from Curaçao and Bonaire may face the

pendable market for Antillean manufacturers is the eastern Caribbean islands, but until recently, they have been hard to reach.

Connections

Shippers regularly sail from the Antilles to the Caribbean hub of Miami, before continuing on to the eastern Caribbean islands, and Capella said few exporters have been able to afford the US\$2,500-per-container price. Depending on another route, he said, often caused exporters to wait for up to three months before they could ship their goods, since the amount of freight leaving the islands couldn't guarantee regular shippings.

But transport will soon be unchained to the Miami route when a private shipper ▶

begins a direct route in May, from the ABC islands to St. Maarten every six weeks. The price- per- container, said Capella, will be less than half the cost of the Miami route.

Capella calls St. Maarten the ABC island's key to the east Caribbean market. Distributors there have already agreed to ship Amstel beer, Continental Milling and Curaçao Wire products to other east Caribbean islands.

"There are no restrictions at all in St. Maarten," he said. "Now we're busy with our annual plan, and I think we'll see the market of Cuba."

Growth

Capella stopped short of predicting growth figures for Antillean exports. That depends, he said, on two things — the growth of industries in the islands, and the lowering of prices.

Prices are very much on the minds of the three executives in Industrial Acquisitions. Manager Hendrik Girigorie said wages are the culprit behind the Antilles' high prices, and they are bound to be cut within a short time.

Another hitch to new investment — the dismissal rule — will take a little longer to revoke, he said. The fact-finding trip to Barbados convinced union leaders of the necessity of abolishing it, said Girigorie, but he added that it will take some time before union leaders can convince their membership of it.

Another reform that may speed up foreign investments is the extrication of the red tape involved for foreign businesses that establish in the Antilles. An investments proposal, currently before the Staten, is designed to speed the process. It consists of an automatic package, including a tax holiday until the year 2000, a faster depreciation allowance, and a 2% profits tax on all export profits. Previously, investors had to apply with the governments involved for each benefit separately.

The Irish Export Board's Matt Moran is at least partly responsible for keeping this reform alive.

"Progress is slow," he said. "It was approved by the Council of Ministers, went then to the six islands for approval, but a few islands didn't respond".

Approved by the Office of Social Eco-

nomics Planning, it is now on the Parliament's agenda.

"Within a month," said Moran, "It SHOULD be on the statute books."

Industrial Acquisition's job of courting foreign industries is made ever more difficult because of ignorance of the Antilles in most of Europe, and by fierce competition from other developing countries (indeed, by other states in the USA) who desperately need large scale investors.

But perhaps its biggest task will be to define itself at home, as THE key player in attracting investors to the islands.

"The real difficulty is that the structure of authority is diffuse — at both levels (Central, island)," said IEB's Moran. "The responsibility for industrial development is not specifically assigned at either level. The single danger area in the future is the decentralization and overlap in areas of functioning responsibility," he said.

"But from an industrial- development point of view, the Antilles are a sound product. For serious investors," said Moran, "the level of cooperation has improved beyond bounds." ■



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USING WHAT IS THERE TO MAKE IT HAPPEN

By Paul De Windt

When the Curaçao Sea Aquarium officially opens its doors this month to exhibit one of the largest collections of salt water fish and invertebrates in the world; it will be the result of the philosophy of a remarkable man, considered somewhat stubborn by nature. When he set out to transform his hobby into an industry, local tourism experts and potential investors were skeptical, to say the least. But now, after the completion of the first 1,4 million dollar phase of his dream, Adrian Schrier is getting the recognition he deserves. And it's paying off, as the latest membership count of 11 thousand and the sponsorship of each of the 75 large aquariums by local businesses shows.



Mr. Schrier came to Curaçao 6 years ago, after travelling through the Caribbean doing his thing, spearfishing and building salt-water aquariums. "I talked to government officials and members of the business community about my plan, but although most of them liked the idea, they thought it could never really compete with for instance Sea World in Miami. So I started out by experimenting with large salt-water aquariums in the local hotels, offering them at first at no cost what-so-

ever for a certain period. It wasn't long before the other hotels wanted one as well, and were willing to pay for it. I used to stand near those aquariums for hours just to listen to the comments".

Local color

Still government and local banks would not invest in his plan, so at home Schrier built a full-scale model of one of the beehive compartments his structure is

based on. "I chose the beehive structure because it is one of the only structures in nature which wastes no space whatsoever, as the corners fit exactly. This allows you to keep expanding as long as there is space. Besides, one of the things I discovered during my travels in the Caribbean is that nothing new in the way of architecture has come out of this region lately, it's all imported from Europe or the United States. I built the Sea Aquarium without an architect and without involv-

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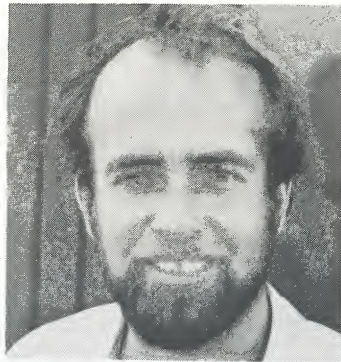
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ing a construction company. I didn't want an architect to start out by drawing a box or going abroad to be able to copy similar projects, I wanted this to be a unique project".

To give the structure a local tint Schrier used as much local materials as possible and 25 workers to build the entire structure, inventing along the way and letting the available material define the building-style, he thus saved 15 to 20% of the building costs. "During those 15 months and 4 days I was here every day- of- the- week, 16 hours a day, leaving only once to buy some necessary materials abroad. We used to sit down after work and let our imagination go, that's how we came up with the sea- side turtle pool and the walkways around it. We used a lot of wood, always standard size, a lot of the natural stone found on the island and we improvised a whole lot. Everything in those aquariums is 100% local, and we used top- quality materials; the finest wood, only stainless nails and the best tiles". Of all the local businesses which now own 49% of the project (I kept a majority share because I want this to stay a project that's affordable to everyone and not just a small group), Schrier is most thankful to one of the smaller local banks, Banco di Caribe. "They stuck their neck out and put up 110 thousand dollars, when there were still three feet of water where we are standing now".



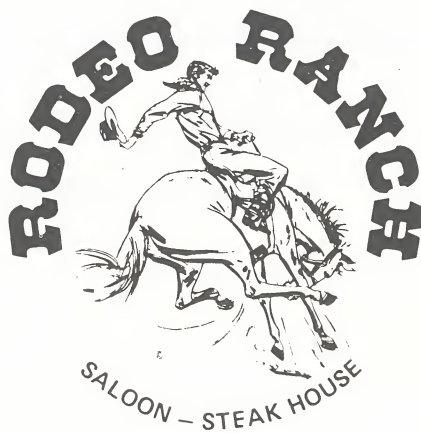
A. Schrier

The Sea Aquarium is located on a coastal strip near the capital Willemstad. The structure is built above the water, incorporating the sea in the project by a turtle pool, a shark- channel, which will be opened as soon as the safety netting is placed, a soon- to- come dolphin pool, and a boardwalk where one can feel the oceanspray as the waves roll on to the coral reef. Inside there are 75 large aquarium windows featuring the smallest type of colourful sea creature to the awesome sea serpent. There are also a number of open pools containing lobsters, crabs and shell fish, and Schriers has created several small gardens with local vegetation, contributing to the natural atmosphere of the mostly wooden structure. Other attractions are a shipwreck on the ocean floor in plain sight of the walkway, a seaside bar with several built- in small aquariums, a

snackbar- restaurant with a terrace overlooking the ocean, a souvenir shop, a reef frequented by seabirds such as pelicans, which can be seen plunging into the ocean in search of food. There is also an excellent view of the capital, which is quite spectacular when the lights go on after sundown. The entrance fee is 5 dollars a person, while a yearly membership is only 17 dollars a year, with a maximum of 50 dollars for a family with more than two children. "A bargain for the relaxation you can find here", says Schrier. The Sea Aquarium is easily reached by a brand new road built by the island government, and every taxi driver on the island knows where it is. "This is only the beginning, we're going to make this a complete sea-oriented resort", says Schrier.

Plans

Other plans include a marina, the longest stretch of beach on the island, diving trips, glass- bottom boat trips, large waterslides, all kinds of watersport facilities and very soon nature movies and lectures. "The idea is to combine the Sea Aquarium with all sorts of other activities, which will ensure year-round economic activities. There will also be work in the diving shop, life- guards for the beach, the watersport facilities, and a whole lot more". The second phase of the project, which will add all these activities and businesses to the Sea Aquarium, which now employs about 40 people, is estimated to cost around 17 million dollars. Schrier hopes to get development aid from the Netherlands to realize the rest of his dream, and considering the reactions he received from the visiting Dutch Minister of Antillean Affairs Jan de Koning and a group of Dutch members of parliament, who visited the project, his chances look good. Not just because it is a project that can bring tourists to the island, but especially because the man behind it has realized a project using what the island has to offer in less than a year, putting aside all doubt to do what he knew had to work all along. And his enthusiasm and endurance have become a rare thing in these islands in the last few years. "Wait", says Schrier as I am leaving, "let me show you something". Something is a part of the dock where carpenters are working on wooden frames and there are heaps of natural stone. "This is going to be the bar- b- que pit, 250 people can eat a nice bar- b- que here for a low price, overlooking the ocean and with a view of the town, with some entertainment. I can see it now!" ■



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OPTIONS FOR THE FUTURE

by Michael Hopkins¹

IN THE EARLY 1970's the number of visitors coming to Curaçao was about the same as those visiting Aruba or Sint Maarten. In each case approximately half the visitors came from the USA. Yet, by 1984 the number of visitors going to Aruba and Sint Maarten doubled while it had dropped (except for the 5 years after 1977 when shopping tourism from Venezuela doubled and then tripled almost overnight) in Curaçao. In the same period the number of cruise ships visiting Curaçao was halved but remained stable in Sint Maarten. Net foreign exchange inflows from tourism — the difference between foreign currency sales from visitors and foreign currency purchases by people from Curaçao going abroad for business or pleasure — fell from 100 million NAf. in 1977 to a small net loss by 1983/84².

Each visitor (the figures do not distinguish between tourists and businessmen) spent, on average, US\$ 150 per day in Curaçao (in 1983). In 1984 the average occupancy rate of the major hotels in Curaçao rose to 51.4% compared to 47.5% in 1983. In the first two months of 1985 average occupancy rates were 65.4% compared to 60.0% in the first two months of 1984. Also after three years in decline (1981-83) cruise tourism started to pick up in 1984. Although figures are slightly down in the first two months of 1985 compared to 1984, the number of ships visiting was significantly larger in Februari 1985 than the same month last year.

After 10 years decline (except for the Venezuelan shopping tourist «blip» between 1977 and 1982) has tourism finally turned the corner and started to pick up in Curaçao? It is, of course, too early to be sure from the fragile statistics presented above. There is a statistical connection between the increase in Venezuelan shopping tourists to Curaçao and the decline in visitors from the USA. The correlation between decline in US visitors, rise in Venezuelan visitors, then decline in Venezuelan visitors and recent small rise in US visitors seems to suggest this.

It would seem, therefore, that tourist strategy between 1977 and early 1983 ignored the needs of American visitors in order to satisfy those of Venezuelan visitors. It is, of course, futile to suppose that Americans and Venezuelans don't get along well. What happened was that the Venezuelans who came to Curaçao to shop were catered for rather better than American visitors who came to Curaçao to enjoy a holiday.

This state of affairs resulted in a major

form such a strategy might take. For the moment though, let's look at the possible economic importance of a successful tourism industry.

Tourist strategy

Directly employed in Curaçao's hotels, cafes and restaurants are 2,545 people. For each job directly involved in tourism one can imagine at least one other job that indirectly serves tourists, e.g. taxi drivers, retailers, power workers, construction workers etc. This then makes a total of around 5000 jobs more or less totally dependent on tourism in Curaçao. In fact the widespread impact of tourism



Sint Maarten: tourism keeps growing

deterioration of the tourist product in Curaçao vis à vis the improvements that were going on in other Caribbean islands. In particular Aruba and Sint Maarten were quick to latch onto the American market and develop their tourist product accordingly. This was certainly a tactical mistake by the Curaçao tourist authorities in the early seventies. Lest the same mistake be made again, a mixed strategy may well pay the greatest dividends for Curaçao over the long term, i.e. a strategy that seeks to improve the tourist product for US, and perhaps European, visitors. At the same time the special needs of Latin American and Caribbean visitors who wish to use the advantages of Curaçao's duty free and free zone shopping facilities should be met.

Under the heading Three-pronged approach I will come back later to what

in an economy is one of the reasons why it is difficult to calculate exactly the number of jobs indirectly serving tourists and those that have nothing to do with tourism (e.g. off shore sector workers, many civil servants, oil refinery workers etc.). It is universally recognised, however, that a dollar of investment in tourist activities creates more jobs than in most other industries. Unfortunately, for Curaçao with its relatively high level of education, these may not be the jobs that Curaçao people wish to perform. Hence a major drive in tourism which requires low skilled workers could force an increase in unskilled immigrants.

But, as foreign exchange starts to become scarce and the problems of Shell and the offshore refuse to go away, it becomes increasingly necessary to develop alternative foreign exchange sources be-

fore disaster strikes. There is still time for part of the massive foreign exchange revenues from the offshore and Shell (now running at around 300 million dollars a year) to be used to develop tourism and ease both future foreign exchange problems and create employment.

Currently, around 10 to 15,000 people are unemployed. Tourism would need to offer a further 10,000 jobs in order to make a major attack on even current levels of unemployment. Given that existing hotels are presently operating at around 60% capacity, even in the high season, finding 10,000 jobs would mean something like a 250 per cent increase in the number of visitors coming to Curaçao over the next 5 to 10 years, i.e. around 300,000 visitors per year compared to the current 110,000.

Can 10,000 jobs be created in tourism over the next 5 years? As mentioned above a mixed strategy is suggested. Three possible major areas for future tourism in Curaçao (a good market research study could help to test this hypothesis) are discussed next.

Three- pronged approach

First, shopping tourism could be encouraged through making the whole island a free zone. Improved transportation and more generous weight allowances between Curaçao, other islands and the mainland would also help. Low cost accommodation would be needed to support this short- stay visitor population. Rotting mansions in Punda and Otrobanda could, once restored, make excellent «gasthauser» on the Germany model and contribute to improve the visual amenity that Curaçao is, currently, hiding from the world. This, of course, is highly dependent on economic trends in Northern Latin America and the windward Caribbean where the main markets could be expected to be. The steep fluctuations in shopping tourism make a mixed strategy preferable since it helps to avoid the problem of putting all one's eggs in the same basket.

Second, the current focus on hotel and cruise middle class American tourism should be continued and expanded. However, return tourism and word- of-mouth publicity is very important here and current standards are far below both what is promised in the glossy ads for Curaçao and below what Americans demand. So much has been written on improving the tourist product for such tourists that one hesitates to repeat the mes-



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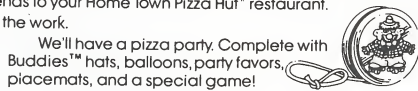
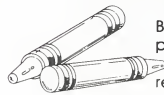
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sage again. Heavy but essential reading are the 1975 Stanford Research Institute (SRI) report on the evaluation of tourism to Curaçao and recommended action to ameliorate the problems of the hotel industry. It is probable that the boom in Venezuelan shopping tourism in the mid 1970s prevented that report having a major impact. Much of its data are now out of date and need to be updated — especially its motivation surveys. However, many of its conclusions remain fresh and valid even today, ten years later.

In 1982, two more reports carried variations on the SRI theme, one entitled «The future development of tourism in Curaçao» by the Caribbean Tourism Re-

search Centre; and one entitled «Tourism: now or never!» by a Government tourist commission from Curaçao. In summary, all these reports recommend major improvements in the visual impact of the town centre, town centre day and nightlife (this could be improved by providing incentives for people to move back to the town centre including renovation grants, plus the conversion into apartments of decaying mansions), service in hotels and restaurants, food, rubbish disposal, beachscaping (if 10% of the funds and managements allocated to the, in general, excellent roads of Curaçao could be devoted to landscaping the 30 or so beaches on the island, these could also be excel-

lent), facilities on beaches and the convenience of tourist services.

The third part of the mixed strategy could be an emphasis on specialised tourism. Using the physical and human comparative advantages of Curaçao could turn it into a centre for such activities as scuba diving, tennis camps, windsurfing, sailing and health farms for wealthy Americans and Europeans. An advantage of specialised tourism, over and above the other two types mentioned, is that it would use much more intensively the human skills that abound in Curaçao or that could be relatively quickly developed. Holidays that are based on a «Club Mediterranee» type of atmosphere, coupled with the opportunity to learn or improve one's technique in one's chosen sport or sports are becoming more popular as people are learning to deal with increased leisure time. Curaçao is in an excellent position to exploit this market if it can lay on the standard of service required. To give an example of this let us examine in a bit more detail the case of scuba diving in Curaçao.

Scuba Diving in Curaçao

George Lewbel, an experienced diver and author of a book³ on diving in the Netherlands Antilles, liked what he saw when he brought a small group of experienced divers from Texas. However, he had a number of reservations.

First, prices for boat diving were up to 50% higher than most other Caribbean diving destinations, even in comparison to Bonaire. Second, while he found dive operators «extremely helpful and cooperative» and very honest, for example, in providing the correct air pressure in personal dive tanks, he noted that elsewhere in the Caribbean operators have put on a lot of effort in making it EASY (his capitals) to go diving. What tourists demand (and are willing to pay for!) is convenience. To do this for diving requires regularly scheduled airport and hotel transport for diving groups; adequate rental equipment available at hotels or even near the dive spots of which there are many in Curaçao; a well publicized 24 hour a day Divers phone number giving advice and guidance on local conditions that could also be accessed using the «freefone» system from the USA etc. Of course, ease and convenience would be essential in any activity whether it be diving, tennis, windsurfing etc.

Third, although Lewbel saw no unsafe practices in Curaçao there were a number of safety features he felt could be im-

proved. For example, every diving boat and major location should have a working radio in case of accidents, there should be an emergency plan in the case of an injured diver, and backup oxygen systems should be easily available. Fourth it must be made easy for prospective scuba divers to Curaçao to make advance bookings and reservations — and not to expect people planning a trip to look back through all their old copies of «Skindiver» to find some phone numbers!

To get repeat customers, the dive business must be 100% reliable with no surprises, and no excuses for anything, no matter how reasonable. Divers (and tennis players, sailors etc.) on vacation work all year to get a week or two off, and they are not interested in hearing about problems on arrival. They just want to be met at the airport and taken to their hotels, be picked up in the morning and taken to dive every day, then driven back to the plane when it is time to go home.

Lewbel again: «In Curaçao, the water is spectacular, the dive sites are great and the operators very enthusiastic. To make Curaçao a premium destination, they need to move into the 1980s. A campaign that emphasized pristine diving, competent dive operators and good sanitation and safety (a relative rarity in the Caribbean) would do the trick. But it will take several years of well-designed publicity and personal visits to attract a large amount of business. It will not happen overnight.

Conclusions

The possibility of expanding tourism in Curaçao is clearly there. But previous

tourism strategy has proved to be wanting, as the loss of American tourists and the unprofitable positions of nearly all the «A» class hotels over the past 10 years had demonstrated. A three-pronged approach as suggested for consideration here, could have a high chance of success. In a sense, such a tourist strategy has to succeed in Curaçao as other local industries begin to stabilize or decline. One way to provide the impetus could be for an alert politician to stake his or her reputation on a target of 10,000 jobs in tourism by 1990.

This could have the effect of doubling existing direct employment in tourism in Curaçao, and mopping up a substantial amount of the currently unemployed — assuming, of course, that they would be willing to take the jobs offered.

Curaçao can already offer beautiful vistas, unusual vegetation, unique architecture, emerald seas, waving palm trees, stupendous sunsets; a healthy, constantly sunny and low humidity climate; a stable and peace-loving community (which must be preserved at all costs). All these help to create the tourist product that Curaçao offers, but a vigorous tourist policy should improve and expand upon these inherited attractions. ■

Notes:

1. The views expressed here are personal and not necessarily those of the company ITEO (Institute for Applied Economic Research) of which the author is a director, nor SEP (Social Economic Planning Bureau of Curaçao) to which the author is economic adviser.
2. Data from Central Bank Quarterly Bulletin and Curaçao Tourist Board plus own calculations.
3. With Larry Martin, published by Pisces Book Company (exact reference not known). The information in the following has kindly been provided to me by Masterdive, Curaçao.



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J.M. CAPRICORNE WINS COLA DEBROT PRIZE

by Sybren Paul

In 1968 the Cola Debrot prize was instituted by the executive council of Curaçao. It's a prize awarded annually on the fourth day of May, Cola Debrot's date of birth, for an achievement in the cultural field. This year the prize was granted to the painter Jose Maria Capricorne. He received a sum of NAF. 1,500.-- and a 'flor di laraha', a gold pin with rosette, which is included in the prize.

Capricorne is a Curaçaoene. Born and bred in Otrobanda, everything that has to do with Curaçao is very dear to him. On the one hand this is because he has a good memory and remembers very well all kinds of lovely things from times past. On the other hand it is a fact that since May 30th, 1969 feelings and respect for the indigenous culture have been catered to enormously, something to which Capricorne has been very susceptible.

There are a few striking points in Capricorne's life that are expressed in his paintings. In the first place his strong memory combined with the fact that what clings to him remains as it was at the moment when it was experienced. The memories themselves slide across one another in transparent layers. There is a unity, but this can as it were be 'peeled off'. Sometimes in Capricorne's pictures you can see that these layers are actually present at the same time. A second point is Capricorne's respect and interest in culture. What you are and who you are is determined by your past, by history. For him personally this, in his function first as acting director, later as director of the art academy in Willemstad, is a reason to pay attention to the old crafts and to contribute towards developing and extending same. Besides in his pictures one can find relicts thereof like the 'Rosa Pretu' (Black Rose), a mysterious witchlike woman, or a so-called 'tower cake', which was formerly carried as a hat on top of the head to its place of destination, where a first communion party was to be celebrated. A third striking point in Capricorne's life is his confrontation with and experiencing of death. In 1971 a handicapped child was born into



the Capricorne family. The child was not to live more than five and a half years. Man's powerlessness as against such an event leaves its traces and brings life-and-death as an almost constant element to attention. In a series of animal drawings Capricorne tries to allay the problem of life and death. All the animals in that series give a suggestion of being born, are as it were an ode to his little son, to the handicapped in general, to birth and death in nature.

Then there's also Capricorne's restless nature. Travelling on and on to reach the



J.M. Capricorne

place of eternal bliss. It all starts very early when he is only twenty years old. At that time he had already been employed for quite some time as a decorator/painter at a now no longer existing pottery factory in Curaçao and is victimized when it is closed down. He makes many vain attempts to get another job.

Under the influence of movies he sees at the time, Brasil to him becomes the promised land of his dreams. After a lot of efforts he finally gets a job in Rio de Janeiro. Instead of finding the promised land, however, he is there confronted with the social ills rampant in a city like Rio. After two years there he meets a Dutchman who tells him that there is an opportunity for him to continue his training in Amsterdam. Via a long cultural journey Capricorne subsequently arrives in Amsterdam, where he gets trained in graphic art. After completing his military service, during which he spent a long period in La Courtine in France, he takes a course in town planning. In that course for him planning is not the central theme, but improving the living climate of residential quarters, especially with the help of art.

Early in 1969 Capricorne returns to Curaçao and remains there for eight years. He is employed at the government planning office. It is in those years that

abovementioned feeling and respect for the own identity demand special notice. Those are the years in which the first impulse is given to the establishment of an art academy in the hope that the own cultural development will be given more opportunity, in the hope also that things from the past will not be completely lost.

As from 1977 Capricorne is back in the Netherlands and comes back to Curaçao again in 1983 as full time director of the art academy. For the time being there seems to be a repose, but no one is surprised to hear that Capricorne named one of his exhibitions 'The travelling company'.



There are a number of people - themselves painters - who have had influence on Capricorne. In the first place the great Pandellis, who used to live here in Curaçao, is the one who taught Capricorne the first principles of the art of painting. The painter Olario taught him to see the things inside a home, which for Curaçao, where life is mostly lived outside, is very curious. In Ocalia Capricorne admires the absolutely uninfluenced manner of working, his absolute own character. Then of course also a number of Brazilian painters, whose names he no longer knows, but whose works he admired in the galleries and museums in Rio. Of the European painters it is of course Picasso, in whom so many qualities were manifest, and besides him also Constant and Chagall. Constant probably because he is more or less a contemporary who often looked at things in the same way, and Chagall because in his paintings Capricorne encoun-

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ters the atmosphere and ambience he himself wants to impart in his pictures.

There are two other matters that are relevant for Capricorne's work. In the first place the fact that he wants to paint in such a way that his feelings, his experiencing of what he is painting, have to be present in the picture. If the object of his painting is either a person or a situation in which persons are involved, he at the same time looks for the experience of the other(s) and tries to represent that experience. In addition there is that avalanche of memories that also presses to be recorded together with the new experiences. The latter sometimes renders Capricorne's paintings very complicated, especially when he tries to penetrate the essence of an experience. Personally I prefer the work in which he directs his attention to events happening around him and the way in which he undergoes them. At least these are more easy to grasp for me. The other paintings show such a great complexity that much more time is required to observe and understand them.

To conclude, Capricorne in his own words: 'I feel myself to be a social artist. Times do change and a new order is imminent. With my art I want to contribute towards that new order, which has to be anchored in the own history, the own culture. That is my contribution. ■

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